



**BNP PARIBAS**

**BNP Paribas**

*(a public limited company (société anonyme) incorporated in France, the liability of its member is limited, primarily regulated by the Autorité de contrôle prudentiel et de résolution, and is a licensed bank regulated by the Hong Kong Monetary Authority and registered under the Securities and Futures Ordinance of Hong Kong for types 1, 4, 6 and 9 regulated activities)*

*as Issuer and Product Arranger*

**Product Booklet for  
Non-Capital Protected Unlisted BNP Paribas  
Equity Linked Investments  
Linked to a Basket of US Stocks  
(BNP Paribas Basket US Stocks ELIs) issued under  
Unlisted Equity Linked  
Investment Programme (Programme)**

**The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT capital protected. They are unlisted structured investment products embedded with derivatives. You may sustain a total loss in your investment.**

**If you are in any doubt about any of the contents of the BNP Paribas Basket US Stocks ELI offering documents, you should seek independent professional advice.**

**The Securities and Futures Commission (SFC) has authorised the BNP Paribas Basket US Stocks ELIs under Section 104A(1) of the Securities and Futures Ordinance (SFO) (Cap. 571, Laws of Hong Kong) and the issue of this product booklet and the indicative term sheet based on the standard format set out in Appendix A to this product booklet as part of the offering documents for the BNP Paribas Basket US Stocks ELIs under Section 105(1) of the SFO. The SFC takes no responsibility for the BNP Paribas Basket US Stocks ELIs or the contents of this product booklet, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this product booklet. The SFC's authorisation does not imply the SFC's endorsement or recommendation of the BNP Paribas Basket US Stocks ELIs referred to in this product booklet, nor does it imply that the SFC guarantees the commercial merits of the BNP Paribas Basket US Stocks ELIs or their performance. The SFC's authorisation does not mean the BNP Paribas Basket US Stocks ELIs are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. Interested persons should consider obtaining independent professional advice before investing in the BNP Paribas Basket US Stocks ELIs.**

## IMPORTANT

The BNP Paribas Basket US Stocks ELIs are complex products. You should exercise caution in relation to the BNP Paribas Basket US Stocks ELIs. You are warned that the market value of the BNP Paribas Basket US Stocks ELIs may fluctuate and you may sustain a total loss of your investment. You should therefore ensure that you understand the nature of the BNP Paribas Basket US Stocks ELIs and carefully study the risk warnings set out in this product booklet and other documents comprising the BNP Paribas Basket US Stocks ELI offering documents (as defined below) and, where necessary, seek independent professional advice, before you decide whether to invest in the BNP Paribas Basket US Stocks ELIs.

The programme memorandum (as amended and supplemented from time to time), the financial disclosure document (as amended and supplemented from time to time), this product booklet (as amended and supplemented from time to time) and the relevant indicative term sheet (together, the BNP Paribas Basket US Stocks ELI offering documents) include particulars given in compliance with the Code on Unlisted Structured Investment Products (the Code) issued by the SFC for the purpose of giving information with regard to us (BNP Paribas, being the issuer and the product arranger of the BNP Paribas Basket US Stocks ELIs), the programme and the BNP Paribas Basket US Stocks ELIs. We (as the issuer and the product arranger) accept full responsibility for the contents of, and the completeness and accuracy of the information contained in the BNP Paribas Basket US Stocks ELI offering documents and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement therein, untrue or misleading.

We (as the issuer and the product arranger) confirm that we meet the applicable eligibility requirements of issuers and product arrangers respectively under the Code and the BNP Paribas Basket US Stocks ELIs comply with the Code.

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. If you purchase the BNP Paribas Basket US Stocks ELIs, you are relying upon our creditworthiness and have no rights under the terms of the BNP Paribas Basket US Stocks ELIs against the issuers of the reference stocks.

**Post-sale cooling-off period pursuant to Part IV of the Code applies to the BNP Paribas Basket US Stocks ELIs with an investment period of more than one year. For further details, please refer to pages 135 to 136 of this product booklet.**

All references to “we” in this product booklet mean BNP Paribas as the issuer of the BNP Paribas Basket US Stocks ELIs, and the words “our” and “us” shall be construed accordingly. All references to “PRC” in this product booklet are to the People’s Republic of China, all references to “Hong Kong” in this product booklet are to the Hong Kong Special Administrative Region of the PRC, and all references to “RMB” in this product booklet are to Renminbi, the lawful currency of the PRC.

A Chinese version of this product booklet is also available from the distributor(s) and/or from our offices at 60-63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. 本產品手冊的中文版本可於分銷商及／或我們之辦事處(地址為香港中環金融街8號國際金融中心二期60-63樓)索取。

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## KEY FACTS STATEMENT (A)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Daily Call and No Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with daily call and no knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed "Risk Warnings") and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**



- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.



## **BNP Paribas Basket US Stocks ELI offering documents**

**The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:**

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

**The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.**

## **What are BNP Paribas Basket US Stocks ELIs with daily call and no knock-in?**

### **A. Overview**

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.

- The key features of the BNP Paribas Basket US Stocks ELIs with daily call and no knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Daily call and no knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Daily autocall condition applies
<b>C. Knock-in Event</b>	Not applicable

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the autocall price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

#### **B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

#### **C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:
  - (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
  - (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).
- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
---

If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the fixed potential cash distribution amount for the relevant observation period will be calculated on a pro-rata basis up to (and including) the call date on which the daily autocall condition is satisfied.

The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the number of “days in” and “days out” for the relevant observation period will be calculated up to (and including) the call date on which the daily autocall condition is satisfied, whereas the number of “total days” for the relevant observation period will be calculated up to the originally scheduled observation period end date.

\* *The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.

#### **D. Daily autocall condition**

- This variation of BNP Paribas Basket US Stocks ELIs contains a daily autocall condition. The daily autocall condition is satisfied if the closing price of the worst performing stock on a call date (which is set as each scheduled trading day during a period as specified in the relevant term sheet excluding the expiry date) is **at or above** its autocall price.
- The autocall price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocall price of each reference stock will be the same for each call date. The autocall price will always be set at a level which is higher than or equal to the exercise price.
- If the daily autocall condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocall condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and any accrued potential cash distribution amount for the relevant observation period calculated up to (and including) that call date (less any cash settlement expenses).

#### **E. At expiry**

- If the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on the closing price of the worst performing stock on the expiry date compared to its exercise price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If the closing price of the worst performing stock on the expiry date is **at or above** its exercise price, you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.
- If the closing price of the worst performing stock on the expiry date is **below** its exercise price, you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

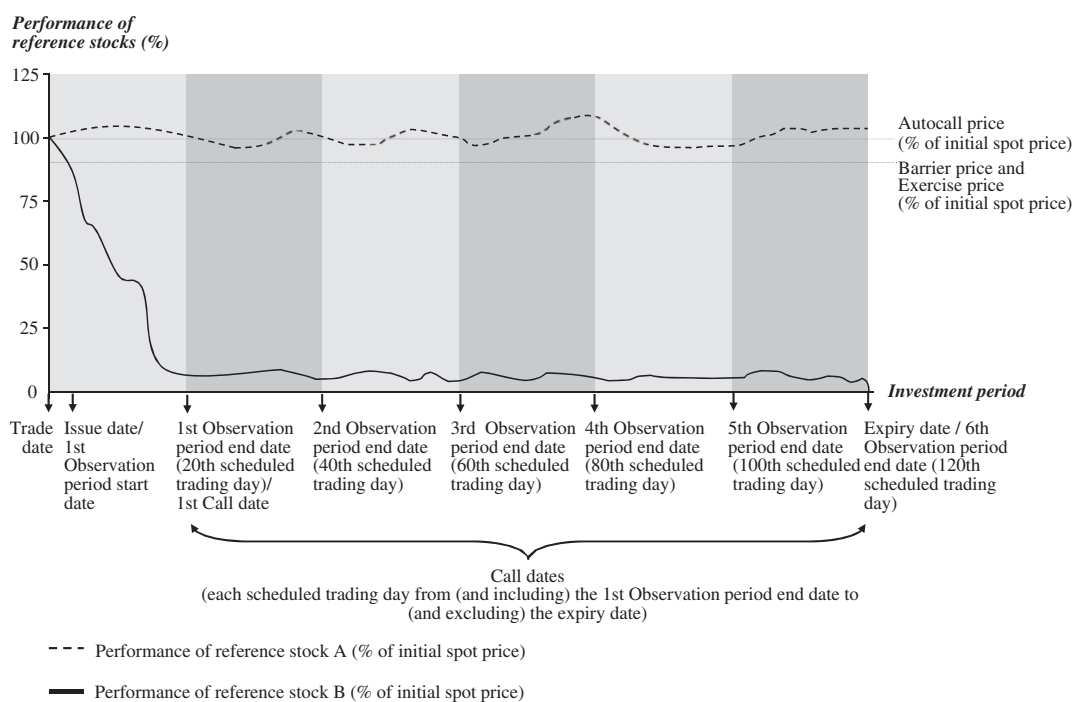
Nominal amount

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Exercise price of the worst performing stock on the expiry date  
(converted into the settlement currency at the exchange rate as specified in the  
relevant term sheet if the settlement currency is not the same as the underlying  
currency of such worst performing stock)

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

## Worst Case Scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.

The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each scheduled trading day from (and including) the 1st observation period end date to (and excluding) the expiry date. Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and
- (iii) since the worst performing stock on the expiry date (i.e. reference stock B) closes below its exercise price, you will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable), and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

### **Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable) and exercise price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.

### **What charges do I have to pay?**

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**



### **How can I buy the BNP Paribas Basket US Stocks ELIs?**

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed “How Can I Buy the BNP Paribas Basket US Stocks ELIs?” on pages 134 to 135 of this product booklet.

### **Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the “post-sale cooling-off period”). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

### **Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).

The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

#### **Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

#### **Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.

## KEY FACTS STATEMENT (B)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Daily Call and Daily Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with daily call and daily knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed "Risk Warnings") and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**



- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.



- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.

## **BNP Paribas Basket US Stocks ELI offering documents**

**The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:**

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

**The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.**

## **What are BNP Paribas Basket US Stocks ELIs with daily call and daily knock-in?**

### **A. Overview**

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.

- The key features of the BNP Paribas Basket US Stocks ELIs with daily call and daily knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Daily call and daily knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Daily autocall condition applies
<b>C. Knock-in Event</b>	Daily knock-in event applies

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the autocall price, the knock-in price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

#### **B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

#### **C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:
  - (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
  - (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).
- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
---

If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the fixed potential cash distribution amount for the relevant observation period will be calculated on a pro-rata basis up to (and including) the call date on which the daily autocall condition is satisfied.

The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the number of “days in” and “days out” for the relevant observation period will be calculated up to (and including) the call date on which the daily autocall condition is satisfied, whereas the number of “total days” for the relevant observation period will be calculated up to the originally scheduled observation period end date.

*\* The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.

#### **D. Daily autocall condition**

- This variation of BNP Paribas Basket US Stocks ELIs contains a daily autocall condition. The daily autocall condition is satisfied if the closing price of the worst performing stock on a call date (which is set as each scheduled trading day during a period as specified in the relevant term sheet excluding the expiry date) is **at or above** its autocall price.
- The autocall price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocall price of each reference stock will be the same for each call date. The autocall price will always be set at a level which is higher than or equal to the exercise price.
- If the daily autocall condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocall condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and any accrued potential cash distribution amount for the relevant observation period calculated up to (and including) that call date (less any cash settlement expenses).

#### **E. At expiry**

- If the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on:
  - (i) whether a daily knock-in event has occurred. A daily knock-in event occurs if the closing price of the worst performing stock on **any** knock-in event date, which is set as each scheduled trading day during a period as specified in the term sheet, is **below** its knock-in price. The knock-in price of a reference stock is set at a specified percentage of its initial spot price. The specified percentage used to calculate the knock-in price in respect of each reference stock for each knock-in event date will be the same. The knock-in price will always be set at a level which is lower than or equal to the exercise price and the autocall price. The reference stock which triggers a knock-in event on a knock-in event date may or may not be the same reference stock which is the worst performing stock on the expiry date. We will specify the knock-in price for each reference stock and the knock-in event dates in the relevant term sheet; and
  - (ii) the closing price of the worst performing stock on the expiry date compared to its exercise price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If (i) a daily knock-in event **has not occurred** on any knock-in event date or (ii) a daily knock-in event **has occurred** but the closing price of the worst performing stock on the expiry date is **at or above** its exercise price, you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.

- If a daily knock-in event **has occurred** on a knock-in event date and the closing price of the worst performing stock on the expiry date is **below** its exercise price, you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

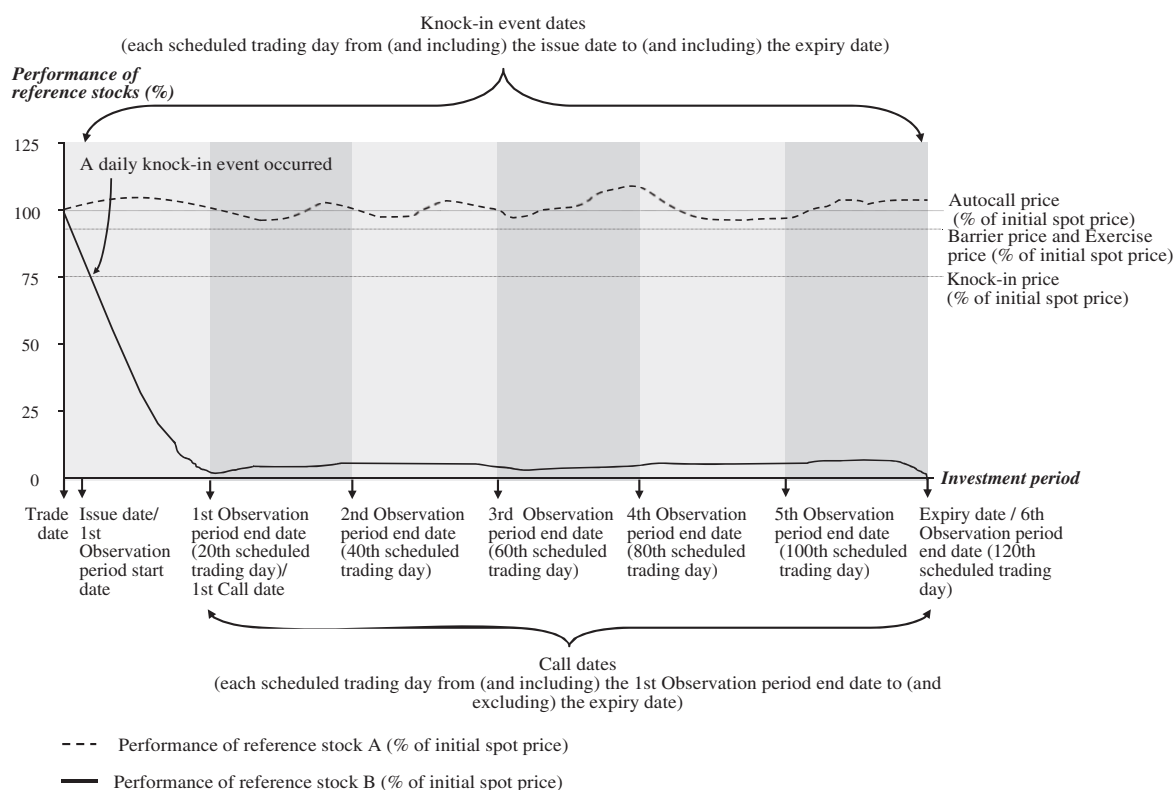
Nominal amount

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Exercise price of the worst performing stock on the expiry date  
(converted into the settlement currency at the exchange rate as specified  
in the relevant term sheet if the settlement currency is not the same as the  
underlying currency of such worst performing stock)

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

### Worst case scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.



The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each scheduled trading day from (and including) the 1st observation period end date to (and excluding) the expiry date. Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and
- (iii) the knock-in event dates are set as each scheduled trading day from (and including) the issue date to (and including) the expiry date. Since the worst performing stock on a knock-in event date (i.e. reference stock B) closes below its knock-in price, therefore a daily knock-in event occurs and the worst performing stock on the expiry date (i.e. reference stock B) closes below its exercise price, you will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable), and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

#### **Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable), exercise price and knock-in price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.

### What charges do I have to pay?

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**

### How can I buy the BNP Paribas Basket US Stocks ELIs?

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed "How Can I Buy the BNP Paribas Basket US Stocks ELIs?" on pages 134 to 135 of this product booklet.

### Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the "post-sale cooling-off period"). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

**Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).

The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

**Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

**Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.

## KEY FACTS STATEMENT (C)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Daily Call and At-Expiry Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with daily call and at-expiry knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed “Risk Warnings”) and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.



- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de resolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**

- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.

## **BNP Paribas Basket US Stocks ELI offering documents**

**The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:**

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

**The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.**

## **What are BNP Paribas Basket US Stocks ELIs with daily call and at-expiry knock-in?**

### **A. Overview**

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.

- The key features of the BNP Paribas Basket US Stocks ELIs with daily call and at-expiry knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Daily call and at-expiry knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Daily autocall condition applies
<b>C. Knock-in Event</b>	At-expiry knock-in event applies

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the autocall price, the knock-in price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

#### **B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

#### **C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:
  - (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
  - (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).
- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
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If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the fixed potential cash distribution amount for the relevant observation period will be calculated on a pro-rata basis up to (and including) the call date on which the daily autocall condition is satisfied.

The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

If the BNP Paribas Basket US Stocks ELIs are early terminated on a call date, the number of “days in” and “days out” for the relevant observation period will be calculated up to (and including) the call date on which the daily autocall condition is satisfied, whereas the number of “total days” for the relevant observation period will be calculated up to the originally scheduled observation period end date.

\* *The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.



#### D. Daily autocall condition

- This variation of BNP Paribas Basket US Stocks ELIs contains a daily autocall condition. The daily autocall condition is satisfied if the closing price of the worst performing stock on a call date (which is set as each scheduled trading day during a period as specified in the relevant term sheet excluding the expiry date) is **at or above** its autocall price.
- The autocall price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocall price of each reference stock will be the same for each call date. The autocall price will always be set at a level which is higher than or equal to the exercise price.
- If the daily autocall condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocall condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and any accrued potential cash distribution amount for the relevant observation period calculated up to (and including) that call date (less any cash settlement expenses).

#### E. At expiry

- If the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on whether an at-expiry knock-in event has occurred. An at-expiry knock-in event occurs if the closing price of the worst performing stock on the knock-in event date, which is set as the expiry date, is **below** its knock-in price. The knock-in price of a reference stock is set at a specified percentage of its initial spot price. The specified percentage used to calculate the knock-in price in respect of each reference stock for the knock-in event date will be the same. We will specify the knock-in price in the relevant term sheet. The knock-in price will always be set at a level which is lower than or equal to the exercise price and the autocall price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If an at-expiry knock-in event **has not occurred** on the knock-in event date (i.e. the expiry date), you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.
- If an at-expiry knock-in event **has occurred** on the knock-in event date (i.e. the expiry date), you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

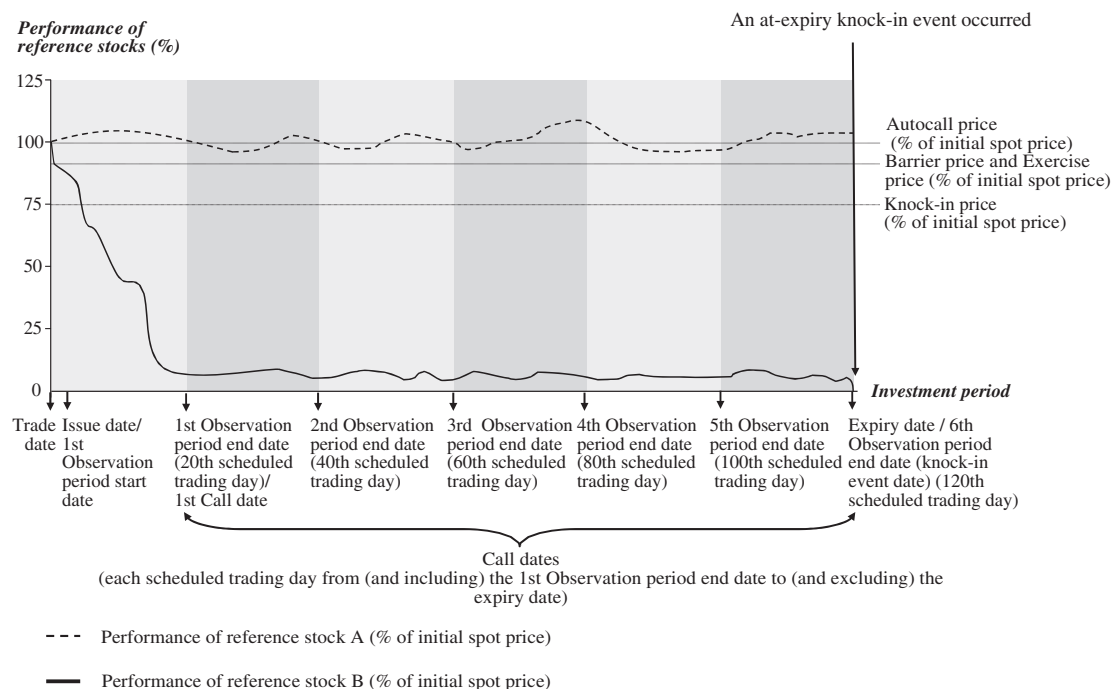
Nominal amount

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Exercise price of the worst performing stock on the expiry date  
(converted into the settlement currency at the exchange rate as specified in the  
relevant term sheet if the settlement currency is not the same as the  
underlying currency of such worst performing stock)

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

### Worst Case Scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.

The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each scheduled trading day from (and including) the 1st observation period end date to (and excluding) the expiry date. Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the daily autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and

(iii) the worst performing stock on the knock-in event date, also being the expiry date (i.e. reference stock B) closes below its knock-in price and an at-expiry knock-in event occurs. You will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable), and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

**Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable), exercise price and knock-in price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.

### **What charges do I have to pay?**

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**

### **How can I buy the BNP Paribas Basket US Stocks ELIs?**

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed "How Can I Buy the BNP Paribas Basket US Stocks ELIs?" on pages 134 to 135 of this product booklet.

### **Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the "post-sale cooling-off period"). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

**Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).

The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

**Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

**Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.



## KEY FACTS STATEMENT (D)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Periodic Call and No Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with periodic call and no knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed "Risk Warnings") and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**

- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.

## **BNP Paribas Basket US Stocks ELI offering documents**

**The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:**

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

**The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.**

## **What are BNP Paribas Basket US Stocks ELIs with periodic call and no knock-in?**

### **A. Overview**

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.



- The key features of the BNP Paribas Basket US Stocks ELIs with periodic call and no knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Periodic call and no knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Periodic autocall condition applies
<b>C. Knock-in Event</b>	Not applicable

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the autocall price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

#### **B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

#### **C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:
  - (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
  - (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).
- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
---

The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

\* *The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.

**D. Periodic autocall condition**

- This variation of BNP Paribas Basket US Stocks ELIs contains a periodic autocall condition. The periodic autocall condition is satisfied if the closing price of the worst performing stock on a call date (which is set as certain observation period end dates during the investment period excluding the expiry date) is **at or above** its autocall price.
- The autocall price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocall price of each reference stock will be the same for each call date. The autocall price will always be set at a level which is higher than or equal to the exercise price.

- If the periodic autocall condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocall condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and the potential cash distribution amount for the relevant observation period (less any cash settlement expenses).

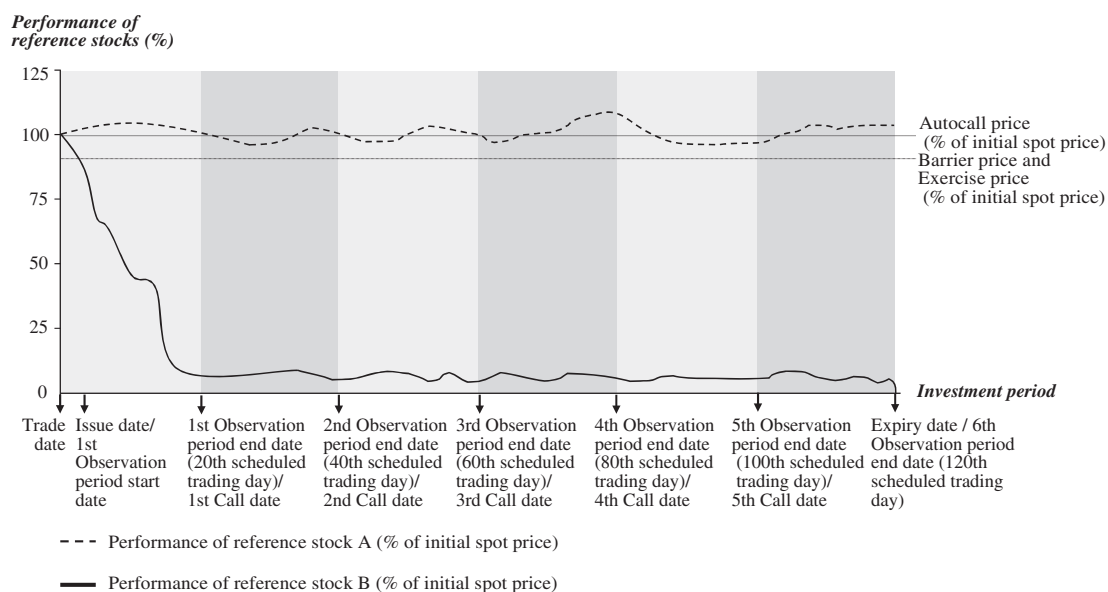
**E. At expiry**

- If the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on the closing price of the worst performing stock on the expiry date compared to its exercise price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If the closing price of the worst performing stock on the expiry date is **at or above** its exercise price, you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.
- If the closing price of the worst performing stock on the expiry date is **below** its exercise price, you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

$$\frac{\text{Nominal amount}}{\text{Exercise price of the worst performing stock on the expiry date (converted into the settlement currency at the exchange rate as specified in the relevant term sheet if the settlement currency is not the same as the underlying currency of such worst performing stock)}}$$

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

## Worst case scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.

The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each of the observation period end dates (except for the observation period end date falling on the expiry date). Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and
- (iii) since the worst performing stock on the expiry date (i.e. reference stock B) closes below its exercise price, you will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable) and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

### **Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable) and exercise price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.

### **What charges do I have to pay?**

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**

### **How can I buy the BNP Paribas Basket US Stocks ELIs?**

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed “How Can I Buy the BNP Paribas Basket US Stocks ELIs?” on pages 134 to 135 of this product booklet.

### **Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the “post-sale cooling-off period”). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

### **Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).



The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

#### **Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

#### **Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.

## KEY FACTS STATEMENT (E)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Periodic Call and Daily Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with periodic call and daily knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed "Risk Warnings") and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**

- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.



- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.



## **BNP Paribas Basket US Stocks ELI offering documents**

**The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:**

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

**The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.**

## **What are BNP Paribas Basket US Stocks ELIs with periodic call and daily knock-in?**

### **A. Overview**

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.

- The key features of the BNP Paribas Basket US Stocks ELIs with periodic call and daily knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Periodic call and daily knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Periodic autocall condition applies
<b>C. Knock-in Event</b>	Daily knock-in event applies

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the knock-in price, the autocall price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

#### **B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

#### **C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:
  - (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
  - (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).
- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
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The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

\* *The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.

**D. Periodic autocall condition**

- This variation of BNP Paribas Basket US Stocks ELIs contains a periodic autocall condition. The periodic autocall condition is satisfied if the closing price of the worst performing stock on a call date (which is set as certain observation period end dates during the investment period excluding the expiry date) is **at or above** its autocall price.
- The autocall price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocall price of each reference stock will be the same for each call date. The autocall price will always be set at a level which is higher than or equal to the exercise price.

- If the periodic autocall condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocall condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and the potential cash distribution amount for the relevant observation period (less any cash settlement expenses).

**E. At expiry**

- If the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on:
  - (i) whether a daily knock-in event has occurred. A daily knock-in event occurs if the closing price of the worst performing stock on **any** knock-in event date, which is set as each scheduled trading day during a period as specified in the term sheet, is **below** its knock-in price. The knock-in price of a reference stock is set at a specified percentage of its initial spot price. The specified percentage used to calculate the knock-in price in respect of each reference stock for each knock-in event date will be the same. The knock-in price will always be set at a level which is lower than or equal to the exercise price and the autocall price. The reference stock which triggers a knock-in event on a knock-in event date may or may not be the same reference stock which is the worst performing stock on the expiry date. We will specify the knock-in price for each reference stock and the knock-in event dates in the relevant term sheet; and
  - (ii) the closing price of the worst performing stock on the expiry date compared to its exercise price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If (i) a daily knock-in event **has not occurred** on any knock-in event date or (ii) a daily knock-in event **has occurred** but the closing price of the worst performing stock on the expiry date is **at or above** its exercise price, you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.
- If a daily knock-in event **has occurred** on a knock-in event date and the closing price of the worst performing stock on the expiry date is **below** its exercise price, you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

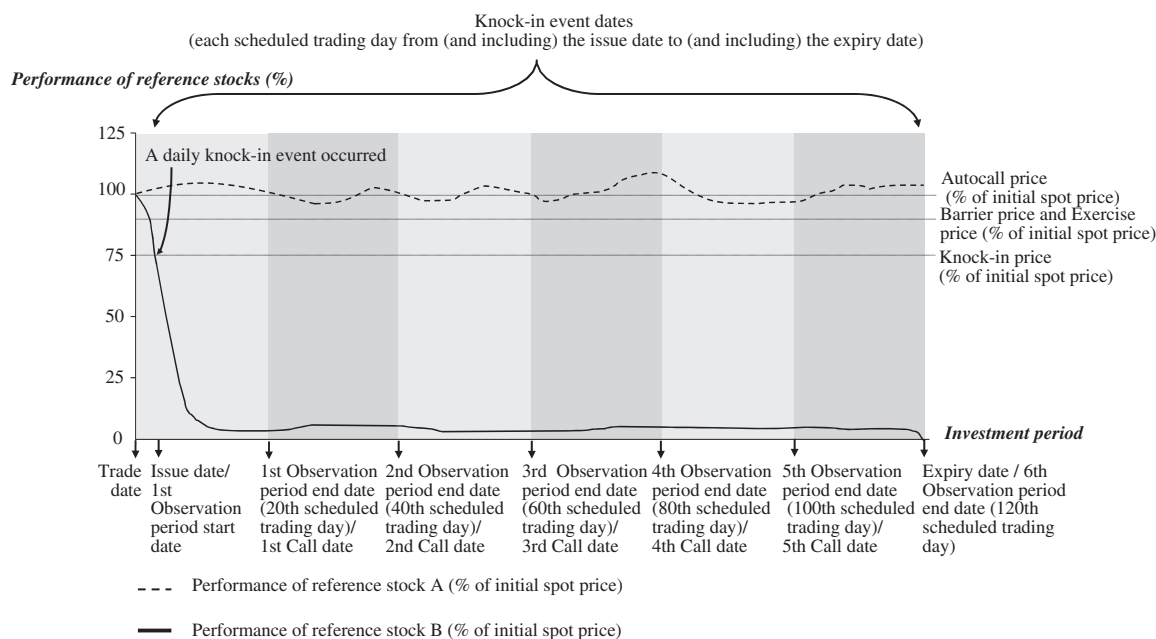
Nominal amount

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Exercise price of the worst performing stock on the expiry date  
(converted into the settlement currency at the exchange rate as specified in the relevant term sheet if the settlement currency is not the same as the underlying currency of such worst performing stock)

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

### Worst case scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.

The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each of the observation period end dates (except for the observation period end date falling on the expiry date). Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and

(iii) the knock-in event dates are set as each scheduled trading day from (and including) the issue date to (and including) the expiry date. Since the worst performing stock on a knock-in event date (i.e. reference stock B) closes below its knock-in price, therefore a daily knock-in event occurs and the worst performing stock on the expiry date (i.e. reference stock B) closes below its exercise price, you will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable), and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

**Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable), exercise price and knock-in price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.



### **What charges do I have to pay?**

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**

### **How can I buy the BNP Paribas Basket US Stocks ELIs?**

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed "How Can I Buy the BNP Paribas Basket US Stocks ELIs?" on pages 134 to 135 of this product booklet.

### **Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the "post-sale cooling-off period"). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

**Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).

The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

**Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

**Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.

## KEY FACTS STATEMENT (F)

### Non-Capital Protected Unlisted BNP Paribas Basket US Stocks ELIs with Periodic Call and At-Expiry Knock-in issued by BNP Paribas

*We may issue six variations of BNP Paribas Basket US Stocks ELIs under this product booklet. This key facts statement provides you with key information about one variation of BNP Paribas Basket US Stocks ELIs that we may issue: BNP Paribas Basket US Stocks ELIs with periodic call and at-expiry knock-in.*

*This key facts statement does not contain all the information that may be important to you as an investor in the BNP Paribas Basket US Stocks ELIs and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed “Risk Warnings”) and the other BNP Paribas Basket US Stocks ELI offering documents before deciding whether to invest.*

#### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The BNP Paribas Basket US Stocks ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The BNP Paribas Basket US Stocks ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral.

- **Limited Market Making Arrangements**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your BNP Paribas Basket US Stocks ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the BNP Paribas Basket US Stocks ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs.

- **Re-investment Risk**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the BNP Paribas Basket US Stocks ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the BNP Paribas Basket US Stocks ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

- **Consent to Bail-In Power**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, agree to be bound by, and consent to the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities over us (as the issuer). **If any Bail-In Power is exercised over us (as the issuer), you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of the BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**



- **No Direct Contractual Rights Against Us**

Each series of the BNP Paribas Basket US Stocks ELIs will be held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the issuer). To assert your rights as an investor in the BNP Paribas Basket US Stocks ELIs against us (as the issuer), you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English Version of the Terms and Conditions May Prevail**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing systems, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the BNP Paribas Basket US Stocks ELIs from the Trade Date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **Additional risks for RMB-denominated BNP Paribas Basket US Stocks ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the BNP Paribas Basket US Stocks ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the BNP Paribas Basket US Stocks ELIs. You should note that the offshore RMB exchange rate we use for the BNP Paribas Basket US Stocks ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated BNP Paribas Basket US Stocks ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

### **Commissions**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the BNP Paribas Basket US Stocks ELIs.

## BNP Paribas Basket US Stocks ELI offering documents

The following documents contain detailed information about us and constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. You should read all of these documents before deciding whether to invest:

- (i) the relevant indicative term sheet for a series of the BNP Paribas Basket US Stocks ELIs you would like to buy;
- (ii) the programme memorandum dated 18 January 2023;
- (iii) the financial disclosure document; and
- (iv) this product booklet,

including any addendum to this product booklet, the programme memorandum and/or the financial disclosure document, as stated in the relevant term sheet.

The distributor(s) has an obligation to distribute to you ALL of the above documents in either an English or Chinese language version, as you may prefer.

## What are BNP Paribas Basket US Stocks ELIs with periodic call and at-expiry knock-in?

### A. Overview

- A BNP Paribas Basket US Stocks ELI is an unlisted structured investment product which has an embedded **conditional put option** over a reference basket of reference stocks. If you purchase a BNP Paribas Basket US Stocks ELI, you will be selling a **conditional put option** over the reference stocks in the reference basket to us. If certain conditions are met, you will be obliged to buy the worst performing stock as of the expiry date from us at its exercise price at expiry.
- Potential payout under the BNP Paribas Basket US Stocks ELI is linked to the performance of the worst performing stock on each relevant scheduled trading day. The reference basket of reference stocks may comprise a minimum of two and a maximum of eight shares in companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in USD. Not all listed shares can be used as a reference stock in the reference basket for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stocks are available.
- The BNP Paribas Basket US Stocks ELI may be issued and settled in HKD, RMB, USD or other major non-restricted and freely-convertible currencies specified in the relevant term sheet. The BNP Paribas Basket US Stocks ELI will be issued and settled in the same currency. If the settlement currency of the BNP Paribas Basket US Stocks ELI is not the underlying currency, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELI.
- You can buy a BNP Paribas Basket US Stocks ELI at its issue price, which is equal to or at a discount to the nominal amount of the BNP Paribas Basket US Stocks ELIs. The issue price and the minimum investment amount of the BNP Paribas Basket US Stocks ELI will be specified in the relevant indicative term sheet.
- The key features of the BNP Paribas Basket US Stocks ELIs with periodic call and at-expiry knock-in are set out below:

<b>BNP Paribas Basket US Stocks ELIs with:</b>	<b>Periodic call and at-expiry knock-in</b>
<b>A. Potential cash distribution amount(s)</b>	May receive potential cash distribution amount(s), subject to certain conditions
<b>B. Autocall Condition</b>	Periodic autocall condition applies
<b>C. Knock-in Event</b>	At-expiry knock-in event applies

- The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet.

For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the knock-in price, the autocall price and the barrier price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. In all cases, the finalised terms of the BNP Paribas Basket US Stocks ELIs will be set out in the relevant final term sheet which will be sent to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet.

**B. How to determine the worst performing stock?**

- The reference stock in the reference basket with the lowest “performance” on a particular scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different. We will use the following formula to determine the “performance” for each reference stock on a scheduled trading day:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

If more than one reference stock has the same lowest “performance” among all the reference stocks on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock for that scheduled trading day.

**C. Payment of potential cash distribution amount(s)**

- You may receive on each cash distribution payment date a potential cash distribution amount for the relevant observation period. The relevant term sheet will specify whether the potential cash distribution amount for an observation period is:

- (i) a fixed amount (see “Fixed potential cash distribution amount” below); or
- (ii) a variable amount calculated by reference to the variable accrual formula (see “Variable potential cash distribution amount” below).

- The cash distribution payment date for the relevant observation period is the date falling no later than the third business day after the relevant observation period end date, as specified in the relevant term sheet.

- **Fixed potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a fixed amount for that observation period, we will calculate such potential cash distribution amount according to the following formula:

Nominal amount x Fixed cash distribution rate
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The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.

- **Variable potential cash distribution amount**

If the potential cash distribution amount for an observation period is specified in the relevant term sheet to be a variable amount, we will calculate such potential cash distribution amount according to the following variable accrual formula:

(I) Nominal amount x Day-in cash distribution rate*	x	$\frac{\text{Days in}}{\text{Total days}}$
PLUS		
(II) Nominal amount x Day-out cash distribution rate*	x	$\frac{\text{Days out}}{\text{Total days}}$

“Days in” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **at or above** its barrier price.

“Days out” means the total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock is **below** its barrier price.

“Total days” means the total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. **For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.**

*\* The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the day-out cash distribution rate is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.*

The barrier price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day during each applicable observation period will be the same.

If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period.

**D. Periodic autocal condition**

- This variation of BNP Paribas Basket US Stocks ELIs contains a periodic autocal condition. The periodic autocal condition is satisfied if the closing price of the worst performing stock on a call date (which is set as certain observation period end dates during the investment period excluding the expiry date) is **at or above** its autocal price.
- The autocal price of each reference stock is set as a specified percentage of its initial spot price and will be set out in the relevant term sheet. The specified percentage used to calculate the autocal price of each reference stock will be the same for each call date. The autocal price will always be set at a level which is higher than or equal to the exercise price.
- If the periodic autocal condition is satisfied on a call date, we will early terminate the BNP Paribas Basket US Stocks ELIs on that call date and you will receive on the early settlement date (being a date falling no later than the third business day after the call date on which the autocal condition is satisfied) the nominal amount of the BNP Paribas Basket US Stocks ELIs and the potential cash distribution amount for the relevant observation period (less any cash settlement expenses).

## E. At expiry

- If the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive the settlement amount on the settlement date (being a date falling no later than the third business day after the expiry date). For this variation of BNP Paribas Basket US Stocks ELIs, the settlement amount will depend on whether an at-expiry knock-in event has occurred. An at-expiry knock-in event occurs if the closing price of the worst performing stock on the knock-in event date, which is set as the expiry date, is **below** its knock-in price. The knock-in price of a reference stock is set at a specified percentage of its initial spot price. The specified percentage used to calculate the knock-in price in respect of each reference stock for the knock-in event date will be the same. We will specify the knock-in price in the relevant term sheet. The knock-in price will always be set at a level which is lower than or equal to the exercise price and the autocall price.
- The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price in the relevant indicative term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- If an at-expiry knock-in event **has not occurred** on the knock-in event date (i.e. the expiry date), you will receive on the settlement date a cash amount equal to the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). You will also receive on the settlement date any potential cash distribution amount for the final observation period.
- If an at-expiry knock-in event **has occurred** on the knock-in event date (i.e. the expiry date), you will receive on the settlement date the physical delivery of a number of the worst performing stock on the expiry date (being the asset amount) after payment of the physical settlement expenses (if applicable) and a cash payment for any fractional shares of such worst performing stock. You will also receive on the settlement date any potential cash distribution amount for the final observation period. The asset amount for each BNP Paribas Basket US Stocks ELI is calculated as follows:

Nominal amount

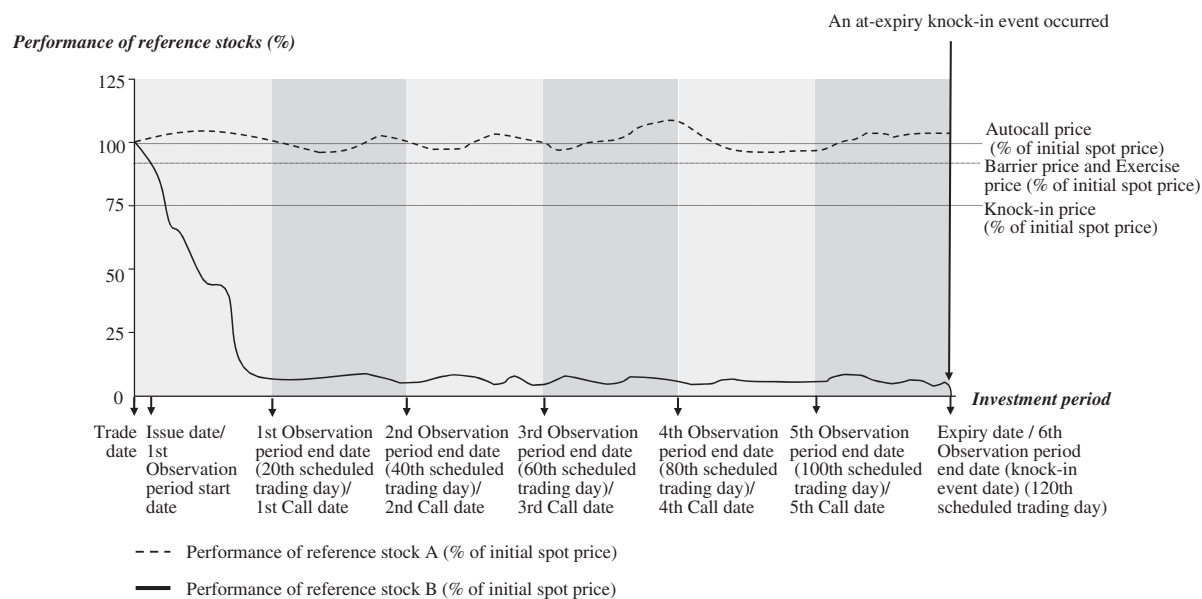
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Exercise price of the worst performing stock on the expiry date  
(converted into the settlement currency at the exchange rate as specified in the  
relevant term sheet if the settlement currency is not the same as the underlying  
currency of such worst performing stock)

**In this case, you suffer a loss as the market value of the asset amount (together with the cash payment for any fractional shares of such worst performing stock) (in both cases calculated based on the closing price of such worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs to offset such loss. You will suffer a further loss if the market price of such worst performing stock deliverable falls further between the expiry date and the settlement date. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**



## Worst case scenario



According to the above diagram, reference stock B is the worst performing stock throughout the investment period (i.e. the period from and including the trade date to and including the expiry date) of the BNP Paribas Basket US Stocks ELIs.

The above scenario assumes that (a) the potential cash distribution amount is variable for each of the observation periods and (b) the day-out cash distribution rate is zero.

The above scenario illustrates that:

- (i) as the closing price of the worst performing stock on each scheduled trading day during the observation periods is below its barrier price, you will not receive any potential cash distribution amount for any observation period;
- (ii) the call dates are set as each of the observation period end dates (except for the observation period end date falling on the expiry date). Since the worst performing stock on each call date (i.e. reference stock B) closes below its autocall price, the periodic autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELIs will not be early terminated; and
- (iii) the worst performing stock on the knock-in event date, also being the expiry date (i.e. reference stock B) closes below its knock-in price and an at-expiry knock-in event occurs. You will receive, on the settlement date, the physical delivery of the asset amount (after payment by you of the physical settlement expenses, if applicable), and together with a cash payment for any fractional shares of such worst performing stock, **the market value of which (as calculated based on the closing price of such worst performing stock on the expiry date) will be substantially less than your original investment amount.** If the closing price of such worst performing stock remains at zero on the settlement date, the asset amount could worth nothing and you could lose all your investment.

Please also refer to Appendix C to this product booklet for more illustrative examples of how the BNP Paribas Basket US Stocks ELIs work.

### **Adjustment to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement, early termination, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event**

Upon the occurrence of certain extraordinary unforeseeable events (being a potential adjustment event, a merger event or tender offer) affecting a reference stock in the reference basket, we, as the calculation agent, will seek to adjust some of the terms and conditions (such as autocall price, barrier price (if applicable), exercise price and knock-in price) of the BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In the case of a merger event or tender offer, if we determine that any of the adjustments is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs, we will seek to replace the affected reference stock with another reference stock meeting certain criteria. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

Upon the occurrence of certain additional disruption events (such as an insolvency or a delisting) affecting a reference stock in the reference basket, we will seek to replace the affected reference stock in the manner as set out in the preceding paragraph. If we, as the calculation agent, determine that replacement of the affected reference stock is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs.

In addition, upon the occurrence of certain disruption events (for example, a suspension of trading of a reference stock in the reference basket), we will postpone some of the key dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs.

Furthermore, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount.

Any adjustments to the terms and conditions, replacement of the affected reference stock, early termination, adjustments to key dates and/or arrangement upon the occurrence of an RMB disruption event will be made by us, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner. Please refer to the summary table on pages 120 to 130 of this product booklet for further details.

### **What charges do I have to pay?**

- **Cash settlement expenses** which, if applicable, will be deducted from the early settlement amount or settlement amount in cash (as the case may be) that you may receive. Currently, no cash settlement expenses are payable.
- **Physical settlement expenses** which, if applicable and subject to the prevailing laws and regulations, will have to be paid by you before the worst performing stock on the expiry date will be delivered to you on the settlement date (if you are to receive the worst performing stock on the expiry date at expiry of the BNP Paribas Basket US Stocks ELIs). Currently, no physical settlement expenses are payable.
- **Distributor's charges.** Please contact your distributor for details of any charges you need to pay if you buy the BNP Paribas Basket US Stocks ELIs from your distributor.

**You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will affect the potential gain/loss you get on your investment. Please contact your distributor for details.**

### **How can I buy the BNP Paribas Basket US Stocks ELIs?**

If you would like to buy the BNP Paribas Basket US Stocks ELIs, you can contact the appointed distributor(s) to enquire about the range of BNP Paribas Basket US Stocks ELIs we offer and the application procedures. Please note you can only buy the BNP Paribas Basket US Stocks ELIs from the distributor(s) with which you can open a US securities account and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs to receive the asset amount in the case of physical delivery of the worst performing stock. The names and contact details

of the distributors of a series of our BNP Paribas Basket US Stocks ELIs are specified in the indicative term sheet for such series. Your distributor will make the application with us directly either as principal or as your agent. Please also refer to the sub-section headed “How Can I Buy the BNP Paribas Basket US Stocks ELIs?” on pages 134 to 135 of this product booklet.

### **Is there a post-sale cooling-off period for the BNP Paribas Basket US Stocks ELIs?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you have the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place the BNP Paribas Basket US Stocks ELI purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the “post-sale cooling-off period”). To exercise such right, you must submit your instructions (via your distributor) to us (as the market agent) within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period.

If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date, the issue price will not be deducted from your account with your distributor on the issue date.

If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to you. **The order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period. Please ask your distributor for further details of any handling fees that it may charge.

Please note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period **DOES NOT** apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less. Please refer to pages 135 to 136 of this product booklet for further details.

### **Is there any market making arrangement for the BNP Paribas Basket US Stocks ELIs before expiry?**

If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a market making day).

On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount).

The indicative bid prices are provided for your reference only. If you decide to sell back the BNP Paribas Basket US Stocks ELIs, you can place a limit sell back order (via your distributor) to us specifying your proposed sell back price (being the limit order price) and the amount of the BNP Paribas Basket US Stocks ELI that you intend to sell (the minimum sell back order is equal to one BNP Paribas Basket US Stocks ELIs) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on that market making day.

Your limit sell back order will not be executed if the prevailing price of the BNP Paribas Basket US Stocks ELI is below your limit order price throughout the trading hours of the relevant US exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during Hong Kong business hours on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELI. We will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.**

In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount.

**Please also note that market making arrangements may not be available on a scheduled market making day if certain events occur.** Please refer to pages 136 to 139 of this product booklet for further details. Your distributor may also charge you a fee when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please ask your distributor for details.

**There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.**

#### **Continuing disclosure**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

#### **Information of the reference stocks**

You may refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details about the reference stocks.

You may obtain the historical stock price and the latest stock price information of the reference stocks on the website of the relevant US exchange(s) as specified in the relevant term sheet.

We will also make available news feeds regarding updated information of the reference stocks in English and Chinese via our designated website as specified in the relevant term sheet. Such information is not reviewed by the SFC.

## RISK WARNINGS

- **The BNP Paribas Basket US Stocks ELIs are not capital protected and are not protected deposits: you could lose all of your investment**

The BNP Paribas Basket US Stocks ELIs are not capital protected and are not protected deposits under the Deposit Protection Scheme in Hong Kong. They are unlisted structured investment products embedded with derivatives and are not equivalent to time deposits. You may sustain a total loss in your investment. If the potential cash distribution amount for all observation periods is specified in the relevant term sheet to be a variable amount, you should note that it is possible that you will not receive any potential cash distribution amount for any observation period. The settlement at expiry of the BNP Paribas Basket US Stocks ELIs will depend on the performance of the worst performing stock on each relevant scheduled trading day(s). **In an extreme case, the asset amount that you may receive at expiry could be worth nothing and you could lose all of your investment.**

- **The maximum potential gain on the BNP Paribas Basket US Stocks ELIs are limited**

The maximum potential gain at expiry of the BNP Paribas Basket US Stocks ELIs is capped at the maximum potential cash distribution amount(s) paid during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses). In the case where the autocall condition is satisfied on a call date, the maximum potential gain is capped at the potential cash distribution amount(s) calculated up to (and including) that call date.

- **The potential payout under the BNP Paribas Basket US Stocks ELIs will be determined by the performance of the worst performing stock**

The potential payout under the BNP Paribas Basket US Stocks ELIs will be determined by reference to the performance of the worst performing stock in the reference basket on each relevant scheduled trading day. The worst performing stock on each scheduled trading day can be different. You could lose all of your investment due to the performance of the worst performing stock, even if the other reference stocks in the reference basket perform well.

- **The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. There will only be limited market making arrangements for some of the BNP Paribas Basket US Stocks ELIs**

The BNP Paribas Basket US Stocks ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the BNP Paribas Basket US Stocks ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months.

You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant BNP Paribas Basket US Stocks ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In the case of (i) and (ii), we will notify you (via your distributor) of the occurrence of an event described under (i) and/or (ii) by 12.00 p.m. (Hong Kong time) on the next Hong Kong business day immediately following the relevant market making day. You may request from us (via your distributor) a refreshed indicative bid price before 4.00p.m. (Hong Kong time) on the next day immediately following the relevant market making day (i) which is a Hong Kong business day and a scheduled trading day on which the relevant US exchange(s) and each related exchange are scheduled to open for trading, and (ii) where the BNP Paribas Basket US Stocks ELIs are not affected by market disruption events and the relevant US Exchange(s) is open for trading during its regular trading session on the scheduled trading day immediately preceding such day (notwithstanding that such day is not



originally a market making day). If you elect to place an adjusted limit sell back order, you must (via your distributor) inform us and submit your adjusted limit order price for the original amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (if applicable) to us before 5.00 p.m. (Hong Kong time) on the same day. If we do not receive any request from you (via your distributor) by then, your limit sell back order will lapse. In the case of (iii), your limit sell back order will lapse and you will need to place a new limit sell back order on the next market making day if you still want to sell back the BNP Paribas Basket US Stocks ELIs.

In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events (as defined in Condition 2(c) of the terms and conditions set out in Appendix B to this product booklet) on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading or (c) we experience any technical problems beyond our control affecting our ability to provide an indicative bid price for the BNP Paribas Basket US Stocks ELIs (including any power failure or breakdown of our computer system) on such day. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. In these scenarios, we will postpone the relevant market making day to the next business day which is both a Hong Kong business day and a scheduled trading day on which the relevant US exchange(s) in New York is open for trading, and is not affected by any of such event.

**Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount. You could lose part or all of your investment if you choose to sell the BNP Paribas Basket US Stocks ELIs prior to the expiry date.** Your distributor may also charge you a fee for handling the market-making arrangement applications when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please contact your distributor for details.

You should note that the market making arrangements **DO NOT** apply to the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less.

Please see pages 136 to 139 for further details on the market making arrangements.

- **Risks relating to difference in trading days and hours and the implications on our ability to execute any limit sell back order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you cannot (i) place any new order to sell back our BNP Paribas Basket US Stocks ELIs or (ii) cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements.

You may only place a limit sell back order at your selected sell back price (being the limit order price) during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day. We will seek to execute your limit sell back order during the trading hours of the relevant US exchange(s) in New York on such market making day. Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.



- **Post-sale cooling-off period only applies to the BNP Paribas Basket US Stocks ELIs with an investment period of more than one year**

Post-sale cooling-off period only applies to a BNP Paribas Basket US Stocks ELI with an investment period of more than one year. If you cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period, we (as the market agent) are obliged to cancel the BNP Paribas Basket US Stocks ELI purchase order (if you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order to your distributor before the trade date) or unwind the BNP Paribas Basket US Stocks ELIs at the order unwind price (if you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order to your distributor on or after the trade date). However, in both cases, your distributor may charge you a handling fee when you cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order and (if you unwind your BNP Paribas Basket US Stocks ELI purchase order) such handling fee will be deducted from the order unwind price payable to you. If you unwind your BNP Paribas Basket US Stocks ELI purchase order, **the order unwind price is capped at and may be substantially less than the issue price.** In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to pages 135 to 136 of this product booklet for further details of how this order unwind price is calculated.

**You should also note that the right to cancel or unwind the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period DOES NOT apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less.**

- **The BNP Paribas Basket US Stocks ELIs contain an autocall condition. You will be subject to re-investment risk when you purchase the BNP Paribas Basket US Stocks ELIs**

The BNP Paribas Basket US Stocks ELIs contain an autocall condition. If the closing price of the worst performing stock on a call date is at or above its autocall price, the autocall condition will be satisfied on that call date and we will early terminate the BNP Paribas Basket US Stocks ELIs. We will pay you on the early settlement date the nominal amount of the BNP Paribas Basket US Stocks ELIs (less any cash settlement expenses) and any accrued potential cash distribution amount for the relevant observation period calculated up to (and including) that call date. No further potential cash distribution amount will be payable following termination of the BNP Paribas Basket US Stocks ELIs. You may not be able to enjoy the same rate of return if you re-invest these proceeds in other investments with similar risk parameters.

- **The BNP Paribas Basket US Stocks ELIs are not listed on any stock exchange, they are not covered by the Investor Compensation Fund**

As the BNP Paribas Basket US Stocks ELIs are not listed, the BNP Paribas Basket US Stocks ELIs are not covered by the Investor Compensation Fund in Hong Kong if your distributor or any other intermediary defaults.

- **There is no collateral for the BNP Paribas Basket US Stocks ELIs. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness**

The BNP Paribas Basket US Stocks ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the BNP Paribas Basket US Stocks ELIs, you will be relying on our creditworthiness and have no rights under the terms of the BNP Paribas Basket US Stocks ELIs against the issuers of reference stocks. If we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs, in the worst case scenario, **you could lose all of your investment.**

The BNP Paribas Basket US Stocks ELIs are not secured on any of our assets or any collateral. There is no assurance of protection against a default by us in respect of our payment or delivery obligations under the BNP Paribas Basket US Stocks ELIs.

- **Enforcement of judgments**

We are a company incorporated under the laws of France and operate on a global basis. A large portion of our business, assets and operations are located outside Hong Kong.

We have submitted to the non-exclusive jurisdiction of the courts of Hong Kong on matters relating to the BNP Paribas Basket US Stocks ELIs. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the BNP Paribas Basket US Stocks ELIs, you or your distributor or its custodian(s) (as the case may be) may enforce such judgment against our assets in Hong Kong in accordance with applicable laws and procedures to seek to recover any amount due or asset amount deliverable under the BNP Paribas Basket US Stocks ELIs.

However, to the extent that our assets in Hong Kong are not sufficient to satisfy all the claims under the BNP Paribas Basket US Stocks ELIs, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets located outside Hong Kong. Enforcement of a Hong Kong judgment in an overseas jurisdiction is subject to the local laws and regulations of the relevant jurisdiction and may depend on, among other factors, whether there is any reciprocal arrangement for the enforcement of judgment between Hong Kong and the relevant jurisdiction (and even if there is such reciprocal arrangement, whether the relevant conditions and requirements are satisfied in order for the judgement to be enforced) and is subject to compliance with the local procedures and requirements. You or your distributor or its custodian(s) (as the case may be) may therefore experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all, and as a result may not be able to recover all or any of the amount due or reference stock deliverable under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and lose your entire investment amount.**

This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. The BRRD requires the governments of all EU member states to provide their relevant resolution authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of that institution’s critical financial and economic functions, while minimising the impact of that institution’s failure on the broader economy and financial system.

Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied.

These powers include share transfer powers, property transfer powers (including powers for the partial transfer of property, rights and liabilities), and resolution instrument powers (including

powers to make special bail-in provisions) over the relevant affected financial institution(s). In connection with the exercise of these powers under the BRRD, the relevant resolution authorities may take various actions in relation to any securities issued by us (including the BNP Paribas Basket US Stocks ELIs) without your consent, including (among other things):

- transferring the BNP Paribas Basket US Stocks ELIs to another person (such as a parent undertaking or a bridge institution) notwithstanding any restrictions on transfer under the current terms of the BNP Paribas Basket US Stocks ELIs;
- the reduction of all, or a portion, of the amounts payable by us under the terms of the BNP Paribas Basket US Stocks ELIs (**including a reduction to zero**);
- the conversion of all, or a portion, of our potential liabilities under the BNP Paribas Basket US Stocks ELIs (including any amounts payable by us under the terms of the BNP Paribas Basket US Stocks ELIs) into shares or other securities or our other obligations or obligations of another person, including by means of an amendment, modification or variation of the contractual terms, in which case you agree to accept in lieu of your contractual rights under the terms of the BNP Paribas Basket US Stocks ELIs;
- the cancellation of the BNP Paribas Basket US Stocks ELIs; and/or
- the amendment or alteration of the maturity of the BNP Paribas Basket US Stocks ELIs or amendment of the amount payable under the BNP Paribas Basket US Stocks ELIs, or the date on which the amount becomes payable, including by suspending payment for a temporary period.

The exercise of any resolution power or any suggestion of any such exercise under the BRRD over us could adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the BNP Paribas Basket US Stocks ELIs. **You may therefore lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs.**

In addition, the resolution powers could be exercised (i) prior to the commencement of any insolvency proceedings in respect of us, and (ii) by the relevant resolution authorities without your consent or any prior notice to you. It is also uncertain how the relevant resolution authorities would assess triggering conditions in different pre-insolvency scenarios affecting us under the BRRD. Accordingly, you may not be able to anticipate a potential exercise of any such resolution powers over us and/or the BNP Paribas Basket US Stocks ELIs.

- **By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, accept, consent and agree to be bound by the exercise of any Bail-In Power by the relevant resolution authorities**

By investing in the BNP Paribas Basket US Stocks ELIs, you acknowledge, accept, consent and agree to be bound by the exercise of any Bail-In Power (as defined in the terms and conditions of the BNP Paribas Basket US Stocks ELIs) by the relevant resolution authorities. You further acknowledge, accept, consent and agree that your rights under the BNP Paribas Basket US Stocks ELIs are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-In Power by the relevant resolution authorities. **Accordingly, if any Bail-In Power is exercised over us, you may lose all or a substantial part of your investment in the BNP Paribas Basket US Stocks ELIs, or receive a different security issued by us (or another person) in place of your BNP Paribas Basket US Stocks ELIs, which may be worth significantly less than the BNP Paribas Basket US Stocks ELIs.** Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to, or requiring your further consent.

- **Financial Institutions (Resolution) Ordinance**

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (the “**FIRO**”) was enacted by the Legislative Council of Hong Kong in June 2016. The FIRO (except Part 8, section 192 and Division 10 of Part 15 thereof) came into operation on 7 July 2017.

The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the BNP Paribas Basket US Stocks ELIs, and as a result, you may not be able to recover all or any amount due under the BNP Paribas Basket US Stocks ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**

This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.

- **Epidemics and pandemics, including the ongoing coronavirus (Covid-19) pandemic, and their economic consequences may adversely affect the Group's business, operations, results and financial condition.**

A global pandemic linked to a novel strain of coronavirus (Covid-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the roll-out of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity.

Nevertheless, uncertainties remain as to the strength and sustainability of the recovery of the public health situation (e.g., the appearance of new strains of the virus, and the reaction to the containment measures adopted by some Asian countries in the first half of 2022) which could lead to a further deterioration of the situation. Various complicating factors will continue to affect the trajectory of economic recovery. International supply chains — which had been strained severely by the pandemic — related mobility restrictions — remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (e.g. raw materials price increases) and general (i.e. inflation rate) effects on prices.

Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery — in order to mitigate the adverse economic and market consequences of the pandemic — there can be no assurance that such measures will suffice to redress the pandemic's negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could recur), or fully and over time prevent possible disruptions to the financial markets. The lifting of government support measures could also harm economic activity and the financial strength of economic actors. Overall, the crisis has impacted and may continue to impact the economies of the principal countries where the BNP Paribas Group operates, particularly its Domestic Markets (France, Italy, Belgium and Luxembourg), which collectively represented 57% of its total gross credit exposures as of 31 December 2021. The Group's results and financial condition have been and could continue to be adversely impacted by the effects of the crisis related to the pandemic and the resulting disruption of economic activity in the Group's principal markets. In particular, the crisis significantly affected the Group's cost of risk in 2020, reflecting macroeconomic projections based on various scenarios applying the framework in place prior to the crisis. Under this framework, macroeconomic projections — specifically GDP estimates and forecasts — are

key to calculating the cost of risk, and the consequences of the health crisis included a decrease in GDP growth estimates for many of the Group's markets. The cost of risk calculation also takes into account the specific dynamics of the crisis in 2020, along with anticipated future impacts on credit and counterparty risk, including the consequences of lockdown measures on economic activity and the impact of government support measures and decisions. These factors contributed to the substantial increase in the Group's cost of risk in 2020 (66 basis points).

The 2021 financial year showed an improvement with an increase in revenues of 4.4% to EUR 46,235 million and an increase in net income attributable to the Group, due to the increase in Domestic Markets revenues (+5.2% compared to 2020) with the rebound of the economy and the resilience of CIB revenues (+3.4% compared to 2020), but also by the decrease in the cost of risk (-48.8% compared to 2020), particularly in connection with improving economic forecasts. Nevertheless, revenues in the International Financial Services businesses remain impacted by the consequences of the health crisis (-1.2% compared to 2020). However, developments in the current health crisis and market conditions have characteristics that could increase the probability and magnitude of various existing risks faced by the Group such as: i) pressure on revenues due in particular to (a) the consequences of the low interest rate environment of the last few years (even if this is gradually being reversed) and (b) lower revenues from fees and commissions; ii) renewed heightened risk linked to an economic slowdown due to inflationary pressures (energy prices, labour market tensions), supply chain disruption or withdrawal of government support measures; iii) risk of financial market disruption in the event of poorly anticipated changes in monetary policies and iv) higher risk-weighted assets due to the deterioration of risk parameters, hence affecting the Group's capital position.

The Group's results and financial condition could also be harmed by negative trends in the financial markets, to the extent that the pandemic initially caused extreme market conditions (volatility spikes, a sharp drop in equity markets, tensions on spreads, specific asset markets on hold, *etc.*). Uncertainties about the scope and durability of the economic recovery, the easing or strengthening of government support measures, and the pressures linked to supply chains and raw material procurement have generated and could generate unfavourable market conditions. Thus, unfavourable market conditions have had and could have an adverse impact on the Group's market activities, which accounted for 14.8% of its consolidated revenues in 2021, resulting in trading or other market-related losses, as seen in 2020, following restrictions implemented on short-selling and dividend distributions (notably EUR 184 million in the first quarter of 2020 related to the European authorities' restrictions on 2019 dividends). Further, certain of the Group's investment portfolios (for example, in its insurance subsidiaries) are accounted for on a mark-to-market basis and were impacted by adverse market conditions, particularly in the second quarter of 2020 and could continue to be impacted again in the future.

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Group's results and financial condition will indeed depend largely on i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic or the terms and conditions for lifting these measures and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Group's various markets, as well as the pace and mechanisms of deployment of immunisation programmes. In addition, while the actions of European Union and member states' authorities (in particular, central banks and governments) in response to the pandemic have to date helped and may well continue to help attenuate its adverse economic and market consequences, the authorities have also issued and may continue to issue additional restrictions or recommendations in respect of banks' actions. In particular, in 2020 and 2021 they limited banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and compensation policies.



Due to the unprecedented environment generated by the Covid-19 crisis, various pandemic-related uncertainties around public health, society and the economy, persist. The consequences for the Group will depend on the duration of the impact of the crisis, the measures taken by governments and central banks, and the ability of society to recover, and are therefore difficult to predict.

Please refer to pages 30 to 31 of the programme memorandum for the meaning and composition of the Group's main businesses referred to.

- **You have no direct contractual rights against us**

The BNP Paribas Basket US Stocks ELIs are held either (i) through the clearing system or (ii) outside the clearing system through a distributor. Your distributor (or its custodian) will be given direct contractual rights of enforcement against us as the issuer under the deed of covenant. In the event of a default in payment or delivery on the BNP Paribas Basket US Stocks ELIs on our part (as the issuer), you will have to rely on your distributor (where applicable, through its custodian) to take action against us as the issuer on your behalf. Accordingly, if your distributor fails to enforce any rights against us as the issuer on your behalf, or if your distributor becomes insolvent or defaults on its obligations, you will not have any direct contractual rights against your distributor's custodian (if applicable) and us as the issuer but you will need to take action directly against your distributor in accordance with terms of arrangement between you and your distributor to establish your interest in the BNP Paribas Basket US Stocks ELIs before you could assert your right of claim against your distributor's custodian (if applicable) and us as the issuer. You may experience difficulties in taking such legal proceedings.

This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.

- **You will also be relying on the creditworthiness of the distributors, any custodian or intermediary and the nominee and/or operators of the relevant clearing system through which you hold the BNP Paribas Basket US Stocks ELIs**

There are risks associated with the custodial arrangements under which the BNP Paribas Basket US Stocks ELIs are held. Your distributor may become insolvent or default on its obligations under the terms of the relevant account keeping or custodian agreement with you. Any custodian or intermediary (including any accountholder) and the nominee and/or operators of the relevant clearing system may also become insolvent or default on their obligations under the terms of the account keeping or custodian agreements they have with your distributor and/or any other custodians or intermediaries. Your remedies as an unsecured creditor against your distributor, and your remedies and your distributor's remedies as an unsecured creditor against any custodian or intermediary (including any accountholder) and the nominee and/or operators of the clearing system, will depend on factors such as the terms of the relevant account keeping or custodian agreements, the location of the accounts in which the BNP Paribas Basket US Stocks ELIs are held by your distributor or any custodian or intermediary (including any accountholder) (this is because such accounts may be located in jurisdictions other than Hong Kong or the jurisdiction of the relevant clearing system and may, therefore, be subject to the laws and procedures of such other jurisdictions) and whether or not the BNP Paribas Basket US Stocks ELIs have been segregated from any other assets.

Even if the BNP Paribas Basket US Stocks ELIs you purchased do not form part of the pool of assets which is applied towards satisfying the claims of the general unsecured creditors of the insolvent or defaulted distributor, custodian or intermediary (including any accountholder) or nominee or operator of the relevant clearing system, there could still be substantial delay before you could receive the cash paid or the reference asset which forms part of the asset amount delivered under the BNP Paribas Basket US Stocks ELIs if your distributor, any custodian or intermediary (including any accountholder) or the nominee or operator of the relevant clearing system becomes insolvent or defaults under its obligations. **In the worst case scenario, you could lose all of your investment.**



- **You have no rights in any of the reference stocks in the reference basket. Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks**

The BNP Paribas Basket US Stocks ELIs are unlisted structured investment products embedded with derivatives. Buying the BNP Paribas Basket US Stocks ELIs is not the same as buying the reference stocks. Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the BNP Paribas Basket US Stocks ELIs. During the investment period, you have no rights in any of the reference stocks in the reference basket, including without limitation, the right to receive dividends or other distributions (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date as described in the terms and conditions of the BNP Paribas Basket US Stocks ELIs). In case where the asset amount is determined to be deliverable to you on the settlement date, you are entitled to all those rights attaching to the worst performing stock on the expiry date as if you had been registered as the holder of such worst performing stock as from (and including) the expiry date onwards. However, you should note that during the period from the expiry date and until such time as such worst performing stock is delivered to you, we are not under any obligation (i) to deliver to you any letter, certificate, notice, circular, dividend, distribution or any other document or payment whatsoever received by us or our affiliate(s) in our capacity as the registered holder of such worst performing stock; or (ii) to exercise any or all rights (including voting rights) attaching to such worst performing stock. We are not liable to you in respect of any loss or damage which you may suffer as a result, whether directly or indirectly, of us or our affiliate(s) being registered as the legal owner of such worst performing stock during such period.

However, we will notify you of the receipt of any dividend, distribution, bonus issue or share issued pursuant to a share split or consolidation, by us during such period, in respect of such worst performing stock beneficially owned by you, and make available such dividend or distribution payment of such worst performing stock to you as soon as practicable by no later than three business days following receipt of it for collection upon production of such evidence of entitlement and identification as we may reasonably require. Please refer to the general terms and conditions as set out in Appendix B to this product booklet for further details.

- **The market value of the BNP Paribas Basket US Stocks ELIs may fluctuate**

The market value of the BNP Paribas Basket US Stocks ELIs may fluctuate depending on factors such as market interest rate movements, our financial condition, the market's view of our credit quality, the price performance and price volatility of each of the reference stocks in the reference basket, the value of the embedded conditional put option and the market for similar securities. **In extreme circumstances, you may lose all of your initial investment.**

- **You are exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date**

As you will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date, you will be exposed to the risks in respect of the BNP Paribas Basket US Stocks ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **The English version of the terms and conditions of the BNP Paribas Basket US Stocks ELIs prevails over the Chinese version**

If the BNP Paribas Basket US Stocks ELIs are held through international securities clearing system, the terms and conditions of the BNP Paribas Basket US Stocks ELIs are issued in English only for the purposes of lodgement with the relevant clearing system. If there is any inconsistency between the Chinese version of the terms and conditions of the BNP Paribas Basket US Stocks ELIs and the English version, the terms and conditions of the BNP Paribas Basket US Stocks ELIs provide that the English version will prevail over the Chinese version. If you do not understand the English version, you should obtain independent professional advice.

- **Your potential gain/loss on the BNP Paribas Basket US Stocks ELIs is affected by distributor(s)' charges and settlement expenses**

Your potential gain/loss on the BNP Paribas Basket US Stocks ELIs will be affected by any handling fee your distributor charges when you make your application and any fees it charges to open and maintain your securities or investment account. Please contact your distributor for more information about the amount of the relevant charges payable. Your potential gain/loss on the BNP Paribas Basket US Stocks ELIs will also be affected by any cash settlement expenses or physical settlement expenses payable on settlement. For further details on the cash and physical settlement expenses payable for the BNP Paribas Basket US Stocks ELIs, please refer to the relevant term sheet.

Your distributor may also charge you a handling fee when you cancel or unwind your BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period or sell your BNP Paribas Basket US Stocks ELIs back to us on a market making day, and such fees or charges will reduce the amount you receive when you cancel or unwind your BNP Paribas Basket US Stocks ELI purchase order or sell the BNP Paribas Basket US Stocks ELIs back to us. Please contact your distributor for further details.

- **There could be conflicts of interest arising out of our other activities which may affect the BNP Paribas Basket US Stocks ELIs**

We and our subsidiaries and affiliates may engage in transactions involving, and may provide investment banking and other services to, any company that issues the reference stocks in respect of the BNP Paribas Basket US Stocks ELIs or their securities. Those transactions may have a positive or negative impact on the market value and/or potential payout of the BNP Paribas Basket US Stocks ELIs. We and our subsidiaries and affiliates may have officers who serve as directors of any of the companies which the BNP Paribas Basket US Stocks ELIs reference. We may issue other competing financial products which may affect the market value and/or potential payout of the BNP Paribas Basket US Stocks ELIs.

We are the issuer, the product arranger, the market agent and the calculation agent for the BNP Paribas Basket US Stocks ELIs. Our other subsidiaries or affiliates may be a distributor for the BNP Paribas Basket US Stocks ELIs. You should note that potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the BNP Paribas Basket US Stocks ELIs. Although our economic interests in each role may be adverse to your interests in the BNP Paribas Basket US Stocks ELIs, we maintain regulatorily required information barriers between our different business areas as well as regulatorily required policies and procedures designed to minimise and manage such potential conflicts of interest to comply with applicable laws and regulations, and to ensure our transactions and/or dealings will be transacted at arm's length.

- **Exposure to price movements of the worst performing stock on the expiry date between the expiry date and the settlement date in case of physical settlement**

If the autocall condition has not been satisfied and the BNP Paribas Basket US Stocks ELIs are not otherwise early terminated, you will receive (through your distributor) the settlement amount on the settlement date. If we are to deliver the worst performing stock on the expiry date which forms the asset amount to you under the BNP Paribas Basket US Stocks ELIs, the asset amount will only be delivered on the settlement date. Therefore, you will be exposed to any movement in the market price of the worst performing stock on the expiry date which forms the asset amount during the period between the expiry date and the settlement date, which is no longer than three business days, subject to the occurrence of a settlement disruption event. Subsequent to the delivery of the asset amount to you, you will be exposed to the market risk of holding the relevant worst performing stock if you choose not to sell your holding of such worst performing stock on the settlement date.

- **If the asset amount is deliverable to you, there are risks of settlement disruption or delay**

All settlement of the asset amount would be effected through the relevant clearance system (being Depository Trust and Clearing Corporation). Our ability to effect electronic settlement of the worst performing stock which forms the asset amount may be restricted if there are disruptions within the relevant clearance system.

Upon the occurrence of an event beyond our control which we, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, determine that it is not possible to deliver the worst performing stock on the expiry date which forms the asset amount to the legal holder of the BNP Paribas Basket US Stocks ELIs via the relevant clearance system, the delivery of such worst performing stock will be postponed until the next practicable clearance system business day (up to a maximum of eight clearance system business days). If such event persists on the eighth clearance system business day, (i) we will use reasonable efforts to deliver such worst performing stock promptly thereafter using such other commercially reasonable manner as we may select (which may include but shall not be limited to delivery outside the relevant clearance system) and/or (ii) if such worst performing stock cannot be delivered in any other commercially reasonable manner, then the settlement date will be postponed until delivery can be effected through the relevant clearance system or such other commercially reasonable manner.

If delivery of the worst performing stock on the expiry date which forms the asset amount to you, through your distributor or its custodian(s) (as the case may be) (which are registered as accountholders of the relevant clearing system entitled to receive the asset amount) is delayed, movements in the market price of such worst performing stock could affect the market value of the asset amount to be delivered to you on the settlement date. **The delay may persist for a prolonged period or indefinitely and we will not pay any interest for any delay in delivery of the asset amount.**

- **Investing in BNP Paribas Basket US Stocks ELIs may involve exchange rate risk**

The BNP Paribas Basket US Stocks ELIs may be issued in a settlement currency other than the underlying currency of the worst performing stock on the expiry date. In that case, we will convert such underlying currency into the settlement currency at the exchange rate as set out in the relevant term sheet for the purposes of calculating the asset amount and the cash equivalent of any fractional share of the worst performing stock on the expiry date under the BNP Paribas Basket US Stocks ELIs, and you would therefore have to bear the risk of exchange rate fluctuations during the investment period.

If the BNP Paribas Basket US Stocks ELIs are not denominated in your home currency, the amount you receive when converting the foreign currency payments you receive under the BNP Paribas Basket US Stocks ELIs back to your home currency will be affected by the prevailing exchange rate between the settlement currency and your home currency. You should note that fluctuations in the exchange rate may have an adverse impact on your potential gain/loss on the BNP Paribas Basket US Stocks ELIs.

- **Some of the terms of the BNP Paribas Basket US Stocks ELIs may only be determined after you purchased the BNP Paribas Basket US Stocks ELIs**

The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet. In all cases, you should note that the exact values of certain terms for the relevant series such as the initial spot price, the exercise price, the autocall price, the barrier price (if applicable) and the knock-in price (if applicable) of each reference stock will not be known at the time you place your BNP Paribas Basket US Stocks ELIs order and will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs.

- **We, as the calculation agent, may adjust the terms and conditions of the BNP Paribas Basket US Stocks ELIs or replace a reference stock in the reference basket or early terminate the BNP Paribas Basket US Stocks ELIs in our sole and absolute discretion acting in good faith and a commercially reasonable manner**

If we, as the calculation agent, determine that (i) an event which has a diluting or concentrative effect on the theoretical value of a reference stock has occurred (including but not limited to, a subdivision or consolidation of that reference stock, a bonus or rights issue); or (ii) a merger

event or a tender offer affecting a reference stock in the reference basket or a company issuing the reference stock has occurred, we, as calculation agent, will seek to adjust some of the terms and conditions of the relevant series of BNP Paribas Basket US Stocks ELIs to account for that event so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs.

If we, as the calculation agent, determine that any corresponding adjustments to the terms and conditions of the relevant series of BNP Paribas Basket US Stocks ELIs is unable to account for the relevant merger event or tender offer (as described above) so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs or an additional disruption event, including (i) an insolvency; (ii) a nationalisation; (iii) a delisting; (iv) a change in law; (v) an increase in the cost of hedging; or (vi) an insolvency filing, affecting a reference stock or a company issuing the reference stock has occurred, we, as the calculation agent, will seek to replace the affected reference stock(s) with another reference stock(s) in accordance with condition 6 of the general terms and conditions of the BNP Paribas Basket US Stocks ELIs, or, if replacement of the affected reference stock(s) is unable to account for that event, to early terminate the BNP Paribas Basket US Stocks ELIs and we will pay you a fair market value of the BNP Paribas Basket US Stocks ELIs. **Depending on the then prevailing market conditions, this fair market value may be less, or substantially less, than the original amount you invested.**

You should refer to the section headed “The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet and the general terms and conditions as set out in Appendix B to this product booklet for further details. **Any adjustments or replacement of the affected reference stock(s) or early termination of the BNP Paribas Basket US Stocks ELIs will be made by us (as the calculation agent) in our sole and absolute discretion acting in good faith and a commercially reasonable manner and any replacement of the reference stock(s) may have an adverse impact on the market value and/or potential payout of the BNP Paribas Basket US Stocks ELIs.**

- **Certain information about the reference stocks may only be available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our BNP Paribas Basket US Stocks ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our designated website in providing information about the reference stocks and our external service provider in providing such information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet.

Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider’s technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **The unwinding of hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs may affect the prices of the reference stocks in the reference basket**

We, as the issuer, may enter into hedging transactions with counterparties in the market in order to enable us to receive any potential cash distribution amount or physical delivery of the worst performing stock which forms the asset amount, equal to those due to you under the BNP Paribas Basket US Stocks ELIs. These transactions would typically involve contracts for the purchase and/or sale of the reference stocks in the reference basket and the establishment of long and/or

short positions in the reference stocks which may be constantly adjusted. The unwinding or adjustment of the positions in the reference stocks may itself affect the market prices of the reference stocks, particularly if there is otherwise low trading volume in the reference stocks at that time.

It is possible that this activity could:

- (i) (if the potential cash distribution amount for each observation period is a variable amount) affect the closing price of the worst performing stock on each scheduled trading day during the investment period to fall below its barrier price, resulting in a lower, or no, potential cash distribution amount;
- (ii) cause the closing price of the worst performing stock on a call date to (x) fall below its autocall price, resulting in the autocall condition not being satisfied and therefore no early termination of the BNP Paribas Basket US Stocks ELIs or (y) rise above its autocall price, resulting in the autocall condition being met for early termination of the BNP Paribas Basket US Stocks ELIs and in such case, the prevailing market conditions may have changed and may hinder you from making any further investment under similar terms. You may not be able to enjoy the same rate of return if you re-invest these proceeds in other investments with similar risk parameters; or
- (iii) (if the knock-in event is applicable) cause the closing price of the worst performing stock on a knock-in event date to fall below its knock-in price and the closing price of the worst performing stock on the expiry date to fall below its exercise price, resulting in the delivery of the asset amount on the settlement date, the market value of which may be less than the original amount you invested.

- **We or our group companies may buy and sell the BNP Paribas Basket US Stocks ELIs**

We or our group companies may at any time and at any price buy the BNP Paribas Basket US Stocks ELIs whether in the open market or by private arrangement. If purchases are made by tender, we or our group companies will allow all ELI holders of the series to take part. Any BNP Paribas Basket US Stocks ELIs that we or our group companies purchased may be held or resold or cancelled. So long as there is sufficient trading volume in the reference stocks of the BNP Paribas Basket US Stocks ELIs at that time, we do not expect such buying or selling of the BNP Paribas Basket US Stocks ELIs by us or our group companies to affect the market value of the BNP Paribas Basket US Stocks ELIs. However, if there is low trading volume in the reference stocks at that time, it is possible that this activity could affect the closing price of the worst performing stock on each scheduled trading day during the investment period.

- **Risk factors specific to RMB-denominated BNP Paribas Basket US Stocks ELIs**

Where the BNP Paribas Basket US Stocks ELIs are denominated in RMB, you should note the following additional risks:

- (a) *Offshore RMB exchange rate risks*

While both onshore RMB (i.e. RMB traded in the mainland China) (“**onshore RMB**”) and offshore RMB (i.e. RMB traded outside the mainland China) (“**offshore RMB**”) are the same currency, they are traded in different and separate markets operating under different regulations and independent liquidity pools. Onshore RMB and offshore RMB are currently quoted in different markets with different exchange rates, whereby their exchange rate movements may not be in the same direction or magnitude. The offshore RMB exchange rate may deviate significantly from the onshore RMB exchange rate.

In the case where the BNP Paribas Basket US Stocks ELIs are denominated in RMB, changes in the offshore RMB exchange rate may adversely affect the market value of the BNP Paribas Basket US Stocks ELIs and the market value of the asset amount deliverable to you (and its value in its underlying currency) in the case of physical settlement.



In case of physical delivery of such worst performing stock, if the value of RMB against the underlying currency on the expiry date is lower than that as at the trade date (i.e. RMB depreciates against the underlying currency), you will receive a fewer number of such worst performing stock because a lesser amount of the underlying currency can be converted from the nominal amount in RMB to calculate the number of such worst performing stock at its exercise price.

The exchange rate of offshore RMB will be affected by, amongst other things, the PRC central government's foreign exchange control. Non RMB-based investors may have to convert their home currency into RMB when investing in our RMB-denominated BNP Paribas Basket US Stocks ELIs. Such investors may also have to convert payments made on such BNP Paribas Basket US Stocks ELIs back to their home currency. During these processes, such investors will incur currency conversion costs and be exposed to risk of fluctuation in the exchange rate of offshore RMB against their home currency.

Please note that like other foreign currencies, the exchange rate of offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate. Our RMB-denominated BNP Paribas Basket US Stocks ELIs shall not be used as an investment for speculating in the appreciation of RMB.

*(b) Limited pool of RMB outside mainland China*

RMB is subject to foreign exchange control and restrictions by the PRC central government.

There is currently a limited pool of RMB outside mainland China. Should the PRC central government tighten its foreign exchange control over the cross border movements between onshore RMB and offshore RMB, the liquidity in offshore RMB is likely to be adversely affected. Such limitation on liquidity in offshore RMB may increase our unwind cost on any hedging arrangements relating to our BNP Paribas Basket US Stocks ELIs denominated in RMB which may in turn adversely affect the market value of, and/or the potential payout under such BNP Paribas Basket US Stocks ELIs.

*(c) Settlement risks for RMB disruption event*

In the case where the settlement currency of our BNP Paribas Basket US Stocks ELIs is RMB, upon the occurrence of an RMB disruption event (for example, if an event occurs which makes it impossible for us to convert any amount due and payable in RMB under our BNP Paribas Basket US Stocks ELIs in the RMB exchange market in Hong Kong) has occurred on any date on which any amount payable in RMB under our BNP Paribas Basket US Stocks ELIs are scheduled to be paid, such payment will be postponed to the third business day after the date on which the RMB disruption event ceases to exist, unless the RMB disruption event continues to exist for twelve consecutive business days from the original scheduled payment date. In such case, we (as the issuer) will make payment of the HKD equivalent amount no later than the third business day after that twelfth business day. Any such payment made by us (as the issuer) shall be in full and final settlement of our obligations to pay the relevant amount payable in RMB on the affected payment date in respect of our BNP Paribas Basket US Stocks ELIs.

The occurrence of an RMB disruption event could delay a payment to you under our BNP Paribas Basket US Stocks ELIs. We will not pay any extra amount (such as interest) for any delay in making such payment. In addition, if such payment is made in the HKD equivalent amount, you will also be exposed to the risk of fluctuation in the offshore RMB exchange rate against HKD. If offshore RMB depreciates significantly against HKD following the occurrence of an RMB disruption event, you will suffer a loss in HKD terms as the HKD equivalent amount paid to you will be substantially less than the value of the relevant amount payable in RMB on the original payment date in HKD terms (calculated based on the offshore RMB exchange rate against HKD prior to the occurrence of the RMB disruption event).



(d) *RMB interest rate risk*

The interest rate for offshore RMB may be different from the interest rate for onshore RMB. The interest rate for offshore RMB and the interest rate for onshore RMB are currently traded in different markets with different rates, whereby their movements may not be in the same direction or magnitude. The interest rate for offshore RMB may deviate significantly from the interest rate for onshore RMB. Interest rates for onshore RMB are controlled by the PRC central government. Any further liberalisation of the interest rate for onshore RMB may occur and may affect the interest rate for offshore RMB. The market value of, and/or the potential payout under our RMB-denominated BNP Paribas Basket US Stocks ELIs may be adversely affected by the fluctuations in the interest rate for offshore RMB.

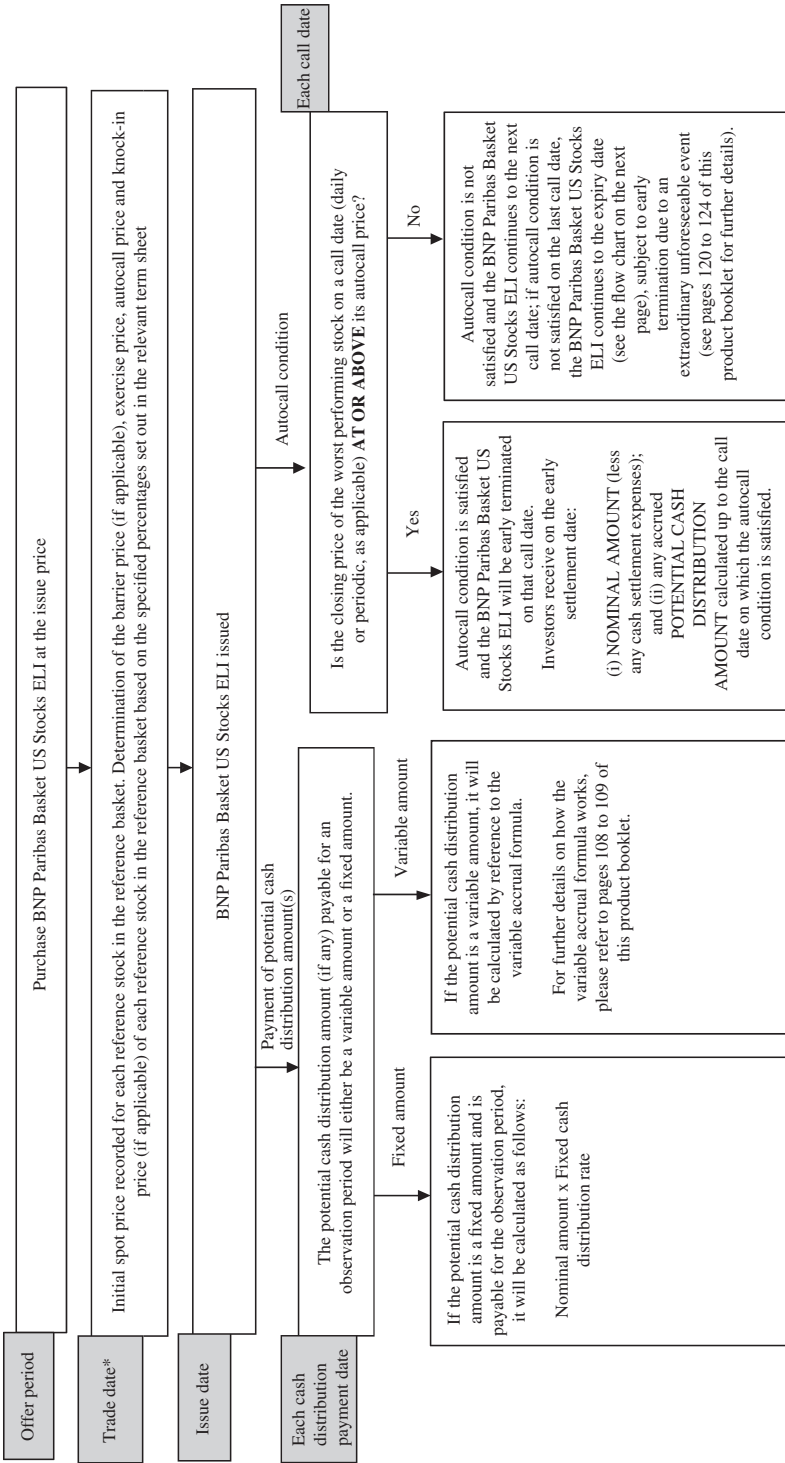
- **Investing in the BNP Paribas Basket US Stocks ELIs may have taxation implications**

Investing in the BNP Paribas Basket US Stocks ELIs may have taxation implications, please refer to the section headed “Taxation” in the programme memorandum (as supplemented by the section headed “United States Taxation” at pages 140 to 143 of this product booklet) for a summary of the tax laws and practice in Hong Kong and the United States that may affect you. Such summary is intended to give you an overview of what Hong Kong and the United States tax you might have to pay if you hold the BNP Paribas Basket US Stocks ELIs. **You should consult your own tax adviser about the tax consequences of investing in the BNP Paribas Basket US Stocks ELIs, particularly if you are subject to special tax rules.**

- **United States taxation risk**

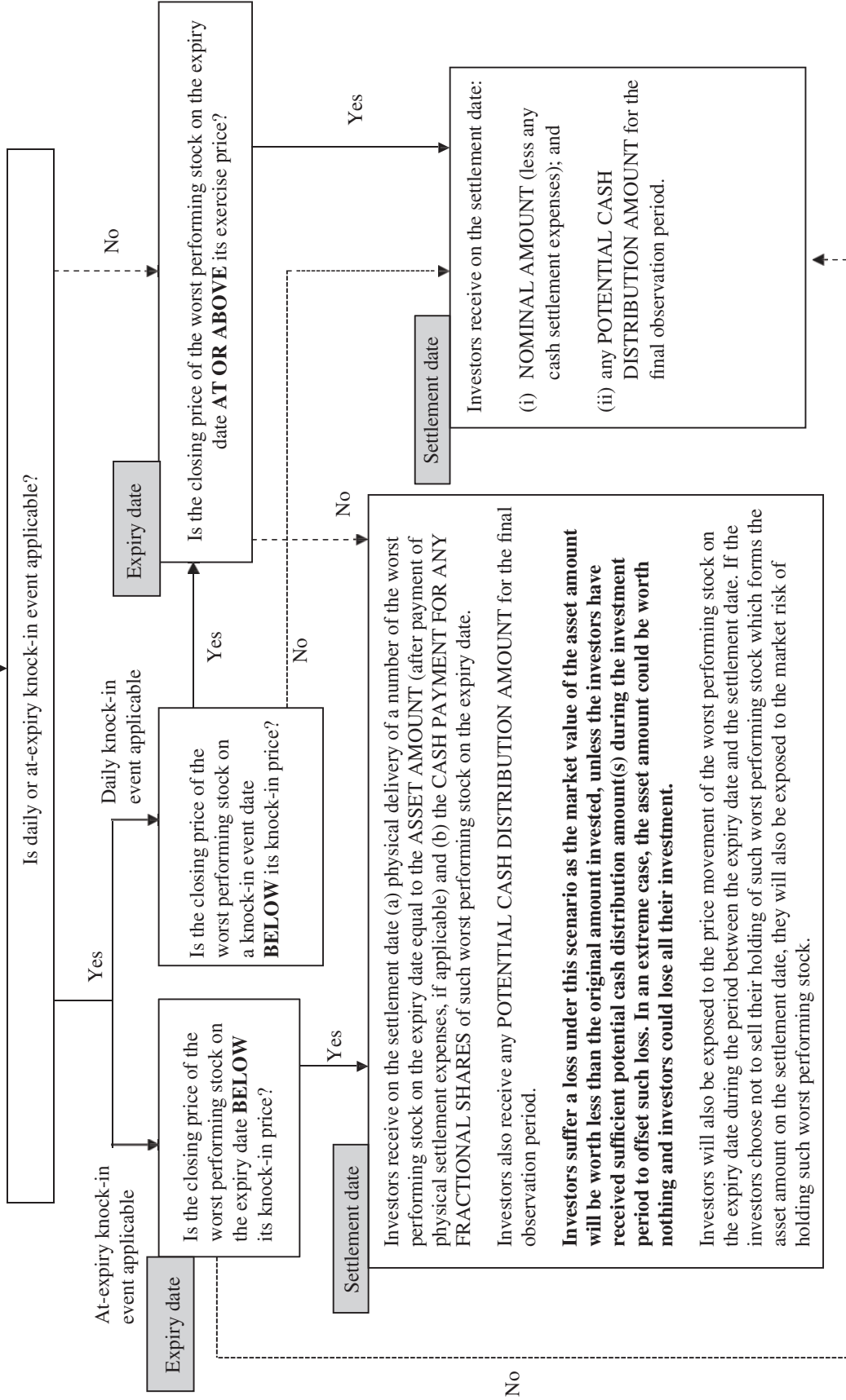
As discussed in more details under the headings “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet, we have determined that payments made under the BNP Paribas Basket US Stocks ELIs do not constitute the “dividend equivalents” (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of this product booklet). However, you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the BNP Paribas Basket US Stocks ELIs. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of the Section 871(m) Rules arising from such investment.

## HOW DO THE BNP PARIBAS BASKET US STOCKS ELIS WORK? — A FLOWCHART DESCRIPTION



\* The initial spot price of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet. In the case of (iii), your purchase order will only be executed if the prevailing market price of such “designated reference stock” on the trade date is at or lower than the price chosen by you. For the avoidance of doubt, you may decide using method (i) or (ii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method. In all cases, you should note that the exact values of certain terms such as the initial spot price, the exercise price, the autocall price, the barrier price (if applicable) and the knock-in price (if applicable) of each reference stock will not be known at the time you place your order. These terms will be expressed as a specified percentage of the initial spot price of the relevant reference stock in the relevant indicative term sheet, and their exact values will only be determined on the trade date after you purchased the BNP Paribas Basket US Stocks ELIs. By placing your order during the offer period, you may be committed to invest in such BNP Paribas Basket US Stocks ELI (unless you have exercised your right to cancel or unwind your order (as the case may be) during the post-sale cooling off period (if applicable)) while the initial spot price, exercise price, autocall price, barrier price (if applicable) and knock-in price (if applicable) of each reference stock are not yet finalised. The specific terms for the relevant series of the BNP Paribas Basket US Stocks ELI will be finalised on the trade date and we will send the final term sheet containing the finalised terms to your distributor on or before the second business day after the trade date. Your distributor will notify you of the finalised terms and send you the final term sheet. Please contact your distributor for further details and for enquiries in relation to the finalised terms of the BNP Paribas Basket US Stocks ELIs.

If the autocall condition is not satisfied and the BNP Paribas Basket US Stocks ELI has not been early terminated otherwise, they will terminate on the expiry date.



## **GLOSSARY — THE KEY ELEMENTS OF THE BNP PARIBAS BASKET US STOCKS ELIS**

The key elements of the BNP Paribas Basket US Stocks ELIs are summarised in the following table. Please note that we are issuing the BNP Paribas Basket US Stocks ELIs in series under our unlisted equity linked investment programme and the following terms should be read as applying to each series separately.

We have included in Appendix A the form of term sheet for the BNP Paribas Basket US Stocks ELIs — the form of term sheet sets out the terms which may only be specified at the time when you apply for the BNP Paribas Basket US Stocks ELIs (except for the terms that may only be determined after your purchase as described below).

### **A. SUBSCRIPTION OF THE BNP PARIBAS BASKET US STOCKS ELIS**

#### **Offer period**

- This is the period during which you can buy a BNP Paribas Basket US Stocks ELI of a particular series from the relevant distributors.
- We may choose to extend or close the offer period, or decide not to issue any BNP Paribas Basket US Stocks ELIs at any time. If the offer period is extended, we will reschedule the trade date, the issue date, the observation period start dates and end dates, the call date(s), the knock-in event date(s) (if applicable), the expiry date and the settlement date. If the offer period is closed early, such dates would not be rescheduled.
- In the event of any extension of the offer period, we will issue a revised indicative term sheet reflecting the rescheduled dates for your information through your distributor and you will be able to cancel your BNP Paribas Basket US Stocks ELI purchase order within the specified period of time as notified to you by your distributor. Neither we nor your distributor will charge you any fees for such cancellation. Please check with your distributor for further details.

#### **Issue price**

- This is the price you have to pay for a BNP Paribas Basket US Stocks ELI.
- The issue price for a BNP Paribas Basket US Stocks ELI is equal to or at a discount to the nominal amount and will be specified in the relevant term sheet.
- We may issue further BNP Paribas Basket US Stocks ELIs of a particular series so that they are interchangeable with the originally issued BNP Paribas Basket US Stocks ELIs. The issue price of the further BNP Paribas Basket US Stocks ELIs of the same series may be equal to or at a discount to its nominal amount and will be specified in the relevant term sheet.
- Your distributor may require you to pay the aggregate issue price of all the BNP Paribas Basket US Stocks ELIs that you wish to purchase before the issue date. Ask your distributor for details on when you have to pay the issue price of the BNP Paribas Basket US Stocks ELIs.

- Nominal amount**
- This is equivalent to the face value of a BNP Paribas Basket US Stocks ELI and will be specified in the relevant term sheet.
  - The nominal amount will be used to calculate: (i) any potential cash distribution amount; (ii) the early settlement amount; and (iii) the settlement amount as specified in the relevant term sheet.
- Minimum investment amount**
- This is the minimum amount of BNP Paribas Basket US Stocks ELIs that you have to purchase if you wish to invest in the relevant series.
  - The minimum investment amount will be specified in the relevant term sheet.
- Minimum transfer amount**
- The minimum transfer amount in respect of each series of BNP Paribas Basket US Stocks ELIs is one BNP Paribas Basket US Stocks ELI and is the minimum amount of BNP Paribas Basket US Stocks ELIs that you can sell back to us, as the market agent, on a market making day. The total number of BNP Paribas Basket US Stocks ELIs you choose to sell back must be an integral number.
- Trade date**
- This is the last day of the offer period, on which the terms of the series of the BNP Paribas Basket US Stocks ELI you bought are determined. We will specify the trade date in the relevant term sheet. You will be subject to the terms and conditions of the BNP Paribas Basket US Stocks ELIs from the trade date.
  - We will record the initial spot price of each reference stock on the trade date.
  - You should note that although all the terms of the BNP Paribas Basket US Stocks ELIs are finalised on the trade date, the BNP Paribas Basket US Stocks ELIs will only be issued on the issue date.
- Settlement currency**
- This is the currency in which the BNP Paribas Basket US Stocks ELIs are denominated. We may use the following currencies as the settlement currency for the BNP Paribas Basket US Stocks ELIs: HKD, USD, Canadian dollars, Australian dollars, New Zealand dollars, Sterling, Euro, Japanese Yen, Singapore dollars, Swiss Franc or such other major non-restricted and freely-convertible currencies or RMB, as specified in the relevant term sheet. You will pay the issue price and, where applicable, receive any cash amount payable to you under the BNP Paribas Basket US Stocks ELIs in the settlement currency.
  - If the settlement currency of the BNP Paribas Basket US Stocks ELIs is not the same as the underlying currency of the worst performing stock, we will convert one currency into another at the exchange rate as specified in the relevant term sheet in making calculations under the BNP Paribas Basket US Stocks ELIs.

<b>Exchange rate</b>	<ul style="list-style-type: none"> <li>This is the mid-market exchange rate for the underlying currency of the worst performing stock on the expiry date per 1 settlement currency on the expiry date as specified in the relevant term sheet. If the settlement currency is RMB, we will use the offshore RMB exchange rate in making calculations under the BNP Paribas Basket US Stocks ELIs.</li> </ul>
<b>Reference basket</b>	<ul style="list-style-type: none"> <li>Each series of BNP Paribas Basket US Stocks ELIs is linked to a reference basket of reference stocks.</li> <li>The reference basket may comprise a minimum of two and a maximum of eight reference stocks.</li> </ul>
<b>Reference stocks</b>	<ul style="list-style-type: none"> <li>The reference stocks are shares of companies listed on an US exchange (being either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet) and traded in United States and quoted in the underlying currency.</li> <li>Not all shares listed on an US exchange can be used as a reference stock for the BNP Paribas Basket US Stocks ELIs — please ask your distributor what reference stock is available.</li> <li>The reference stocks will be specified in the relevant term sheet.</li> <li>Information on each company (including its published audited consolidated financial statements and interim financial statements (if any)) may be obtained from the website operated by the United States Securities and Exchange Commission at <a href="http://www.sec.gov/edgar.shtml">http://www.sec.gov/edgar.shtml</a> which is available in English only. Please refer to the section headed “Information relating to the Reference Stocks” in the relevant term sheet for details of other information.</li> </ul>
<b>US exchange</b>	<ul style="list-style-type: none"> <li>An US exchange is the exchange on which a reference stock is listed and traded, which is either The New York Stock Exchange or The NASDAQ Stock Market as specified in the relevant term sheet.</li> </ul>
<b>Underlying currency</b>	<ul style="list-style-type: none"> <li>This is the currency in which a reference stock is quoted on the relevant US exchange, which is USD as specified in the relevant term sheet.</li> </ul>
<b>Initial spot price</b>	<ul style="list-style-type: none"> <li>We will record an initial spot price for each reference stock in the basket on the trade date. The initial spot price in respect of each reference stock in the basket may be (i) its opening price on the trade date, (ii) its closing price on the trade date, or (iii) its prevailing market price as quoted by the relevant US exchange at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the relevant indicative term sheet.</li> </ul>



- In the case of (iii), your purchase order will only be executed if such prevailing market price is at or lower than the price as agreed between you and us (through your distributor).
  - you will need to choose at the time you place your purchase order:
    - (a) one of the reference stocks in the basket as the designated reference stock; and
    - (b) a price for the designated reference stock,
 both of which will be specified in the relevant indicative term sheet.
  - your purchase order will only be executed if the prevailing market price of such designated reference stock on the trade date is at or lower than the chosen price in (b) above.
  - if your purchase order is executed, the initial spot price of each reference stock in the basket will be its prevailing market price at the time your purchase order is executed.
  - if your purchase order is not executed, your purchase order will be cancelled. The issue price (which includes your distributor's commission (if any)) will not be deducted from your account with your distributor on the issue date.
- For the avoidance of doubt, you may decide using method (i), (ii) or (iii) and the initial spot prices of all the reference stocks in the reference basket will be determined by using the same method.
- The specific terms which may affect your potential gain or loss under the BNP Paribas Basket US Stocks ELIs will each be set as a fixed percentage of the initial spot price of each reference stock in the reference basket.

**Opening price**

- When we refer to the opening price of a reference stock on a particular day, we mean the opening price of that reference stock as quoted by the relevant US exchange on that day without regard to any subsequently published correction.

**Closing price**

- When we refer to the closing price of a reference stock on a particular day, we mean the official closing price of that reference stock as quoted by the relevant US exchange on that day without regard to any subsequently published correction.

- Issue date**
- This is the date on which the BNP Paribas Basket US Stocks ELIs are issued.
  - The issue date is a day falling 1 to 14 business days after the trade date.
  - We will specify the issue date in the relevant term sheet.
- Scheduled tenor**
- This is the period from and including the issue date to and including the settlement date and is the duration for which you have to hold a BNP Paribas Basket US Stocks ELI before it is terminated and settled. The scheduled tenor of the BNP Paribas Basket US Stocks ELIs will be specified in the relevant term sheet.
- Investment period**
- This is the period from and including the trade date to and including the expiry date and is the duration between the date on which all the terms of the BNP Paribas Basket US Stocks ELIs are finalised and the date on which the settlement amount is determined.
- Order date**
- This is the day you place the BNP Paribas Basket US Stocks ELI purchase order to your distributor.
  - Depending on when you decide to place the BNP Paribas Basket US Stocks ELI purchase order to your distributor, the order date may fall on or before the trade date.

## **B. PAYMENT OF POTENTIAL CASH DISTRIBUTION AMOUNT(S)**

- Potential cash distribution amount(s)**
- The potential cash distribution amount(s) are periodic cash payments that you may receive for the relevant observation period(s).
  - The potential cash distribution amount for an observation period will either be:
    - (i) a fixed amount; or
    - (ii) a variable amount calculated by reference to the variable accrual formula.
  - If a potential cash distribution amount is payable for an observation period, it will be paid on the relevant cash distribution payment date. Please note that no cash settlement expenses will be payable for any payment of potential cash distribution amount(s).
  - We will specify the cash distribution payment date(s) in the relevant term sheet.

**Fixed potential cash  
distribution amount**

- If the potential cash distribution amount for an observation period is specified as being a fixed amount for that observation period, then it will be calculated as follows (rounded to the nearest 0.01, with 0.005 or above being rounded upwards):

Nominal amount x Fixed cash distribution rate

- The fixed cash distribution rate will be specified in the relevant term sheet and will be the same for each applicable observation period.
- The fixed cash distribution rate is set by us for each series based on a number of factors, including but not limited to:
  - (i) the choice of the reference stocks in the reference basket;
  - (ii) the expected price volatility of each of the reference stocks in the reference basket;
  - (iii) the length of the investment period;
  - (iv) the exercise price, autocal price, barrier price (if applicable) and knock-in price (if applicable) of each reference stock, which are set at a specified percentage of the initial spot price of each of the reference stocks in the reference basket;
  - (v) any expected payment of dividends in respect of each of the reference stocks in the reference basket;
  - (vi) the commission or discount we offer to the distributors;
  - (vii) the prevailing market interest rate;
  - (viii) the costs of our hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs; and
  - (ix) the value of the embedded conditional put option over the reference basket of reference stocks under which you will be obliged to buy a number of the worst performing stock on the expiry date from us at a pre-determined price if certain conditions are met.

- If the BNP Paribas Basket US Stocks ELI is early terminated on a call date where the daily autocall condition is applicable (see “C. Autocall Condition” below), the fixed potential cash distribution amount for the relevant observation period will be calculated on a pro-rata basis up to (and including) the call date on which the autocall condition is satisfied in accordance with the following formula (rounded to the nearest 0.01, with 0.005 or above being rounded upwards):

$$\text{Nominal amount} \times \text{Fixed cash distribution rate} \times \frac{n}{N}$$

where

“n” is the number of scheduled trading days during the period from (and excluding) the relevant observation period start date of the relevant observation period up to (and including) the relevant call date on which the autocall condition is satisfied.

“N” is the total number of scheduled trading days in the relevant observation period.

If any scheduled trading day is a disrupted day for any reference stock, such dates will be disregarded for the purposes of determining “n” and “N” as used in the calculation of the fixed potential cash distribution amount provided that, for the purposes of determining “N” where the autocall condition is satisfied on a call date, each scheduled trading day from (and excluding) such call date to (and including) the last day of the relevant observation period shall be deemed not to be a disrupted day.

**Variable potential cash distribution amount**

- If the potential cash distribution amount for an observation period is specified as being a variable amount, then it will be calculated by reference to the variable accrual formula as set out below (rounded to the nearest 0.01, with 0.005 or above being rounded upwards):

$$\text{(I) Nominal amount} \times \text{Day-in cash distribution rate} \times \frac{\text{Days in}}{\text{Total days}}$$

PLUS

$$\text{(II) Nominal amount} \times \text{Day-out cash distribution rate} \times \frac{\text{Days out}}{\text{Total days}}$$

- The day-in cash distribution rate and day-out cash distribution rate used in the variable accrual formula will be specified in the relevant term sheet and will be the same for each applicable observation period. The day-in cash distribution rate will always be set at a rate which is higher than the day-out cash distribution rate. If the “day-out cash distribution rate” is specified to be zero, the potential cash distribution amount for the relevant observation period will be equal to the amount calculated in accordance with Part (I) of the variable accrual formula only.
- The day-in cash distribution rate and the day-out cash distribution rate are set by us for each series based on a number of factors, including but not limited to:
  - (i) the choice of the reference stocks in the reference basket;
  - (ii) the expected price volatility of each of the reference stocks in the reference basket;
  - (iii) the length of the investment period;
  - (iv) the exercise price, autocall price, barrier price and knock-in price (if applicable) of each reference stock, which are set at a specified percentage of the initial spot price of each of the reference stocks in the reference basket;
  - (v) any expected payment of dividends in respect of each of the reference stocks in the reference basket;
  - (vi) the commission or discount we offer to the distributors;
  - (vii) the prevailing market interest rate;
  - (viii) the costs of our hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs; and
  - (ix) the value of the embedded conditional put option over the reference basket of reference stocks under which you will be obliged to buy the worst performing stock on the expiry date from us at a pre-determined price if certain conditions are met.

#### **Days in**

- The total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock (which will be determined by us on each scheduled trading day based on the closing price of each reference stock in the reference basket) is **at or above** its barrier price.

- If the BNP Paribas Basket US Stocks ELI is early terminated on a call date (see “C. Autocall Condition” below), the number of “days in” for the relevant observation period will be calculated up to (and including) the call date on which the autocall condition is satisfied.

#### **Days out**

- The total number of scheduled trading days (excluding any disrupted days) in an observation period on which the closing price of the worst performing stock (which will be determined by us on each scheduled trading day based on the closing price of each reference stock in the reference basket) is **below** its barrier price.
- If the BNP Paribas Basket US Stocks ELI is early terminated on a call date (see “C. Autocall Condition” below), the number of “days out” for the relevant observation period will be calculated up to (and including) the call date on which the autocall condition is satisfied.

#### **Total days**

- The total number of scheduled trading days (excluding any disrupted days) in an observation period. “Total days” is zero if all scheduled trading days in the relevant observation period are disrupted days. For the avoidance of doubt, if “total days” is zero, no variable potential cash distribution amount will be payable for the relevant observation period.
- If the BNP Paribas Basket US Stocks ELI is early terminated on a call date (see “C. Autocall Condition” below), the number of “Total days” for the relevant observation period will be calculated up to the originally scheduled observation period end date (and each scheduled trading day during the period from (and including) the call date on which the autocall condition is satisfied to (and including) that observation period end date shall be deemed not to be a disrupted day).

#### **Worst performing stock**

- We will determine which reference stock in the reference basket is the “worst performing stock” for each relevant scheduled trading day on which the prices of the reference stocks are required to be observed.
- The reference stock with the lowest “performance” on a scheduled trading day will be the worst performing stock for that scheduled trading day. The worst performing stock on each scheduled trading day can be different.
- If more than one reference stock in the reference basket has the same lowest “performance” among all the reference stocks, we will, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, decide which reference stock shall be the worst performing stock.



**Performance**

- The performance of a reference stock on a scheduled trading day is calculated as follows:

$$\text{Performance} = \frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$$

(rounded to the nearest 0.0001%, with 0.00005% or above being rounded upwards)

**Observation period**

- An observation period starts on (but excludes) an observation period start date and ends on (and includes) an observation period end date.
- The observation period start dates and observation period end dates will be set out in the relevant term sheet.
- There may be more than one observation period during the investment period.

**Cash distribution payment date**

- Each date falling no later than the third business day after an observation period end date, as specified in the relevant term sheet.
- Where the final observation period ends on the expiry date, the final cash distribution payment date is expected to fall on the same date as the settlement date.
- If the BNP Paribas Basket US Stocks ELI is early terminated on a call date (see “C. Autocall Condition” below), the relevant cash distribution payment date for the relevant observation period on which an autocall condition is satisfied shall be the early settlement date, and any potential cash distribution amount payable will be paid on such early settlement date. No further potential cash distribution amount will be payable in respect of any observation period(s) falling after the call date on which the autocall condition is satisfied.
- If the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet for further details.

### **Barrier price**

- We will stipulate a barrier price for each reference stock in the reference basket. The barrier price of each reference stock is set at a specified percentage of its initial spot price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) and will be set out in the relevant term sheet. The specified percentage used to calculate the barrier price of each reference stock for each relevant scheduled trading day will be the same.
- The barrier price is the price level that we will look at in determining whether a particular scheduled trading day in an observation period is a “days in” for the purpose of the variable accrual formula.

### **Scheduled trading day**

- A day on which each relevant US exchange and each related exchange is scheduled to open for trading.

## **C. AUTOCALL CONDITION**

### **Autocall condition**

- There are two variations of autocall condition: (i) daily autocall condition; and (ii) periodic autocall condition. We will specify in the relevant term sheet which type of autocall condition applies to that series of BNP Paribas Basket US Stocks ELIs.
- The autocall condition is satisfied if the closing price of the worst performing stock on a call date is **at or above** its autocall price.

### **Early settlement amount**

- If the autocall condition is satisfied, the BNP Paribas Basket US Stocks ELIs will be early terminated on the relevant call date and you will receive an early settlement amount that is equal to the nominal amount *less* any cash settlement expenses on the early settlement date.
- You will also receive any accrued potential cash distribution amount for the relevant observation period calculated up to (and including) the call date on which the autocall condition is satisfied (see “B. Payment of Potential Cash Distribution Amount(s)” above) on the early settlement date.

### **Autocall price**

- We will stipulate an autocall price for each reference stock in the reference basket. The autocall price of each reference stock is set at a specified percentage of its initial spot price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) and will be set out in the relevant term sheet. The percentage used to calculate the autocall price of each reference stock for each call date will be the same. The autocall price will always be set at a level which is higher than or equal to the exercise price.
- The autocall price is the price level that we will look at in determining whether the autocall condition is satisfied on a call date.

**Call date(s)**

- We will observe the closing price of the worst performing stock on each call date and compare it against its autocall price to determine whether the autocall condition is satisfied.
- This is the date on which the BNP Paribas Basket US Stocks ELIs are early terminated if the relevant autocall condition is satisfied.
- If the daily autocall condition applies, the call date(s) will be set as each scheduled trading day during a period as specified in the relevant term sheet excluding the expiry date. If the periodic autocall condition applies, the call date(s) will be set as certain observation period end dates during the investment period excluding the expiry date. For the avoidance of doubt, there will always be more than one observation period during the investment period if the periodic autocall condition applies. The call date(s) will be specified in the relevant term sheet.

**Early settlement date**

- A date falling no later than the second or third business day after the call date on which the autocall condition is satisfied, as specified in the relevant term sheet.
- This is the date on which you will receive the early settlement amount (see “Early settlement amount” above) if the autocall condition is satisfied.
- If the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet for further details.

**D. KNOCK-IN EVENT****Knock-in event**

- We will specify in the relevant term sheet whether a knock-in event applies to the relevant series of BNP Paribas Basket US Stocks ELIs. If a knock-in event is applicable, the payout of the BNP Paribas Basket US Stocks ELIs at expiry will depend on whether the relevant knock-in event has occurred.
- There are two variations of knock-in event: (i) daily knock-in event and (ii) at-expiry knock-in event (see also “Knock-in event date” below). If applicable, we will specify in the relevant term sheet which type of knock-in event applies to that series of BNP Paribas Basket US Stocks ELIs.

- A “knock-in event” occurs if the closing price of the worst performing stock on any knock-in event date(s) is **below** its knock-in price.

#### **Knock-in price**

- If a knock-in event is applicable, we will observe the closing price of the worst performing stock on each knock-in event date and compare it against its knock-in price to determine whether a knock-in event has occurred.
- If a knock-in event is applicable, we will stipulate a knock-in price for each reference stock in the reference basket. The knock-in price of each reference stock is set at a specified percentage of its initial spot price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) and will be specified in the relevant term sheet. The percentage used to calculate the knock-in price in respect of each reference stock for each knock-in event date will be the same. The knock-in price will always be set at a level which is lower than or equal to the exercise price and the autocall price.

#### **Knock-in event date**

- If the daily knock-in event applies, the knock-in event date(s) will be set as each scheduled trading day during a period as specified in the relevant term sheet. If the at-expiry knock-in event applies, the knock-in event date will be set as the expiry date. The knock-in event date(s) will be specified in the relevant term sheet.

### **E. AT EXPIRY OF THE BNP PARIBAS BASKET US STOCKS ELIS**

#### **Expiry date**

- If the autocall condition is not satisfied or the BNP Paribas Basket US Stocks ELIs are not early terminated due to an extraordinary unforeseeable event (see pages 120 to 124 of this product booklet for further details), the BNP Paribas Basket US Stocks ELIs will terminate on the expiry date as specified in the relevant term sheet.
- You should note that although the settlement amount will be determined on the expiry date, such settlement amount will only be paid or delivered to you on the settlement date.

#### **Exercise price**

- We will stipulate an exercise price for each reference stock in the reference basket. The exercise price of each reference stock may be expressed as a specified percentage of its initial spot price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) in the relevant term sheet. The specified percentage used to calculate the exercise price of each reference stock will be the same.
- The exercise price can be viewed as the benchmark against which the closing price of the worst performing stock on the expiry date will be compared to determine the payout of the BNP Paribas Basket US Stocks ELIs at expiry if (i) a knock-in event is not applicable, or (ii) if a daily knock-in event is applicable and such event has occurred. See “Settlement amount (for each BNP Paribas Basket US Stocks ELI)” below.

**Settlement amount (for each  
BNP Paribas Basket US  
Stocks ELI)**

- The exercise price would be used to determine the asset amount in cases of physical settlement.

**(A) For BNP Paribas Basket US Stocks ELIs where the knock-in event is not applicable:**

If the autocall condition has not been satisfied and the BNP Paribas Basket US Stocks ELIs have not been early terminated otherwise:

- (i) if the closing price of the worst performing stock on the expiry date is **at or above** its exercise price, the settlement amount that you will receive on the settlement date is a cash amount equal to the nominal amount *less* any cash settlement expenses; or
  - (ii) if the closing price of the worst performing stock on the expiry date is **below** its exercise price, the settlement amount that you will receive on the settlement date is physical delivery of a number of the worst performing stock on the expiry date equal to the asset amount (after payment of all relevant physical settlement expenses, if applicable) and a cash payment for any fractional shares of such worst performing stock (no cash settlement expenses are payable for the cash payment of such fractional shares).
- In either case of (i) or (ii) above, you will also receive any potential cash distribution amount for the final observation period on the settlement date.

**(B) For BNP Paribas Basket US Stocks ELIs where the daily knock-in event is applicable:**

If the autocall condition has not been satisfied and the BNP Paribas Basket US Stocks ELIs have not been early terminated otherwise:

- (i) if:
  - (a) a daily knock-in event **has not occurred**; or
  - (b) a daily knock-in event **has occurred** but the closing price of the worst performing stock on the expiry date is **at or above** its exercise price,

the settlement amount that you will receive on the settlement date is a cash amount equal to the nominal amount *less* any cash settlement expenses; or

(ii) if a daily knock-in event **has occurred** and the closing price of the worst performing stock on the expiry date is **below** its exercise price, the settlement amount that you will receive on the settlement date is physical delivery of a number of the worst performing stock on the expiry date equal to the asset amount (after payment of all relevant physical settlement expenses, if applicable) and a cash payment for any fractional shares of such worst performing stock (no cash settlement expenses are payable for the cash payment of such fractional shares).

- In either case of (i) or (ii) above, you will also receive any potential cash distribution amount for the final observation period on the settlement date.

**(C) For BNP Paribas Basket US Stocks ELIs where the at-expiry knock-in event is applicable:**

If the autocall condition has not been satisfied and the BNP Paribas Basket US Stocks ELIs have not been early terminated otherwise:

(i) if an at-expiry knock-in event **has not occurred**, the settlement amount that you will receive on the settlement date is a cash amount equal to the nominal amount *less* any cash settlement expenses; or

(ii) if an at-expiry knock-in event **has occurred**, the settlement amount that you will receive on the settlement date is physical delivery of a number of the worst performing stock on the expiry date equal to the asset amount (after payment of all relevant physical settlement expenses, if applicable) and a cash payment for any fractional shares of such worst performing stock (no cash settlement expenses are payable for the cash payment of such fractional shares).

- In either case of (i) or (ii) above, you will also receive any potential cash distribution amount for the final observation period on the settlement date.



**You should note that if (ii) under (A), (B) or (C) above occurs, you suffer a loss as the market value of the asset amount that you receive (together with the cash payment for any fractional shares of the worst performing stock on the expiry date) (both calculated based on the closing price of the worst performing stock on the expiry date) is less than the original amount invested, unless you have received sufficient potential cash distribution amount(s) during the investment period to offset such loss. You will receive the asset amount (through your distributor) on the settlement date. Therefore, you will be exposed to any movement in the market price of such worst performing stock during the period between the expiry date and the settlement date, which will be no longer than three business days. Also, if you choose not to sell your holding of such worst performing stock on the settlement date, you will be exposed to the market risk of holding such worst performing stock. In an extreme case, the asset amount could be worth nothing and you could lose all your investment.**

**Asset amount**

- If the BNP Paribas Basket US Stocks ELIs are to be settled by physical delivery of a number of the worst performing stock on the expiry date, the asset amount is the number of the worst performing stock on the expiry date (after payment of all physical settlement expenses, if applicable) which you will receive (through your distributor) on the settlement date of the BNP Paribas Basket US Stocks ELIs.
- The number of the worst performing stock on the expiry date deliverable for each BNP Paribas Basket US Stocks ELI is calculated as follows (rounded down to the nearest whole number):

Nominal amount

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Exercise price of the worst performing stock on the expiry date (converted into the settlement currency at the exchange rate as specified in the relevant term sheet if the settlement currency is not the same as the underlying currency of such worst performing stock)

- We will calculate the number of the worst performing stock on the expiry date which forms the asset amount based on a per-BNP Paribas Basket US Stocks ELI basis.
- Any fractional shares of the worst performing stock on the expiry date (as rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) will not be delivered to you as part of the asset amount and will be settled by payment of a cash amount calculated by reference to the closing price of the worst performing stock on the expiry date and the prevailing exchange rate as specified in the relevant term sheet (if applicable) on the expiry date. The cash amount for such fractional shares will be rounded to the nearest 0.01, with 0.005 or above being rounded upwards. No cash settlement expenses will be payable for the cash payment of any fractional shares of the worst performing stock to you.

(See also the next section headed “More Information about Delivery of the Asset Amount”).)

#### **Settlement date**

- A date falling no later than the second or third business day after the expiry date, as specified in the relevant term sheet, provided that, if physical settlement occurs and the settlement date falls on a date that is not a clearance system business day, the settlement date shall be the following clearance system business day, subject to the occurrence of a settlement disruption event.
- This is the date on which you will receive (through your distributor) the settlement amount (see also “Settlement amount (for each BNP Paribas Basket US Stocks ELI)” above) upon expiry of the BNP Paribas Basket US Stocks ELIs if the BNP Paribas Basket US Stocks ELIs have not been early terminated.
- In the case of cash settlement, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet for further details.

#### **Cash settlement expenses**

- If a cash amount is payable, you will have to pay for any cash settlement expenses.
- Cash settlement expenses are all charges or expenses, including any taxes and duties that are incurred upon termination of the BNP Paribas Basket US Stocks ELIs by payment of a cash amount (such as, where the settlement amount at expiry is a cash amount, early termination upon the occurrence of an extraordinary unforeseeable event or early termination upon the satisfaction of an autocall condition). Currently no such cash settlement expenses are payable. If any cash settlement expenses are payable in the future, we will inform your distributor as soon as practicable in advance and your distributor will in turn inform you. Please note that no cash settlement expenses will be payable for any payment of potential cash distribution amount(s) or any cash amounts in respect of any fractional share of the worst performing stock on the expiry date. Please check with your distributor for details.

**Physical settlement expenses**

- Where we are to deliver the asset amount, you will have to pay for all physical settlement expenses, if applicable.
- Physical settlement expenses are out-of-pocket expenses applicable to the transfer and receipt of the asset amount which are payable when the asset amount is delivered to you (through your distributor) on the settlement date of the BNP Paribas Basket US Stocks ELIs. Currently, no physical settlement expenses are payable. Please check with your distributor for details.

**Distributor's charges**

- You should check with your distributor how much they charge if you buy BNP Paribas Basket US Stocks ELIs from them and whether there are any charges for holding, selling BNP Paribas Basket US Stocks ELIs through them or receiving any payment or deliveries under the BNP Paribas Basket US Stocks ELIs.

**NOTES**

1. This is a summary of the key elements of the BNP Paribas Basket US Stocks ELIs. You should read all of the BNP Paribas Basket US Stocks ELI offering documents before deciding whether or not to buy any of the BNP Paribas Basket US Stocks ELIs.
2. Some of the terms which we have used in this summary could be subject to adjustment as provided in the legal documentation. We have prepared a summary table on pages 120 to 130 of this product booklet to give you a ready reference of the possible adjustments that we may make to the terms and conditions of the BNP Paribas Basket US Stocks ELIs (including adjustments to the terms and conditions of the BNP Paribas Basket US Stocks ELIs due to extraordinary unforeseeable events and adjustments to the key dates due to market disruption events). You should also refer to the general terms and conditions as set out in Appendix B to this product booklet for more details.
3. We may early terminate the BNP Paribas Basket US Stocks ELIs upon the occurrence of certain extraordinary unforeseeable events. Please refer to the section headed "The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event" in this product booklet for more details.
4. For further details on the effects of a settlement disruption event affecting physical delivery of the worst performing stock on the expiry date which forms the asset amount, please refer to the section headed "More Information about Delivery of the Asset Amount" in this product booklet.
5. We, as the calculation agent, will make all determinations, and exercise all discretion, under the terms and conditions of the BNP Paribas Basket US Stocks ELIs, and we, as the calculation agent, have the sole and absolute discretion in making all determinations and exercising all discretion under the legal documentation. Any decision we make, as the calculation agent, will be made in good faith and a commercially reasonable manner and is final and binding on you and on us (as the issuer) and any other parties involved in the BNP Paribas Basket US Stocks ELIs.

**THE BNP PARIBAS BASKET US STOCKS ELIS —  
EXTRAORDINARY UNFORESEEABLE EVENTS, ADJUSTMENTS  
TO TERMS AND CONDITIONS, REPLACEMENT, EARLY TERMINATION,  
ADJUSTMENTS TO KEY DATES AND ARRANGEMENT UPON  
THE OCCURRENCE OF AN RMB DISRUPTION EVENT**

**A. Extraordinary unforeseeable events; Adjustments to terms and conditions; Replacement of the reference stock(s); Early termination of the BNP Paribas Basket US Stocks ELIs**

<p><b>What happens if an extraordinary unforeseeable event occurs in respect of a series of the BNP Paribas Basket US Stocks ELIs?</b></p>	<p>As we cannot foresee all extraordinary unforeseeable events that can occur in relation to us or the reference stocks, the calculation agent may have to adjust the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replace the affected reference stock(s) or early terminate the BNP Paribas Basket US Stocks ELIs in certain unforeseeable circumstances.</p>
<p>(a) If we, as the issuer, become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs on or before the settlement date:</p>	<p>→ The BNP Paribas Basket US Stocks ELIs represent our general, unsecured and unsubordinated contractual obligations. You will have to rely on your distributor to take action on your behalf to claim as one of our unsecured creditors if we become insolvent or default on our obligations under the BNP Paribas Basket US Stocks ELIs. What you get under the BNP Paribas Basket US Stocks ELIs will depend on the liquidation proceedings. <b>In the worst case scenario, you may get nothing back and lose your entire investment amount.</b></p>
<p>(b) During the investment period, if we, as the calculation agent, determine, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, that a potential adjustment event has occurred in relation to the reference stock(s) and such event has a diluting or concentrative effect on the theoretical value of such reference stock(s) (including but not limited to, a subdivision or consolidation of the reference stock, a bonus or rights issue) (as more particularly set out in condition 6(a) of the terms and conditions of the BNP Paribas Basket US Stocks ELIs):</p>	<p>→ We, as the calculation agent, will make such adjustments, if any, to the terms and conditions of the BNP Paribas Basket US Stocks ELIs (where necessary, adjusting the exercise price, the knock-in price (if applicable), the autocall price and the barrier price (if applicable) of the affected reference stock(s)) as we determine, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, to be appropriate to account for that diluting or concentrative effect so as to preserve the economic equivalence of the relevant BNP Paribas Basket US Stocks ELIs. In determining the aforesaid adjustment(s):</p> <ul style="list-style-type: none"> <li>• if futures or options contracts of the affected reference stock(s) are traded on the relevant US exchange(s) or the related exchange, we, as the calculation agent, will follow any adjustment to the terms of the relevant futures or options contracts made and announced by the relevant US exchange(s) or the related exchange, unless following such adjustment is not able to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs. In such case, we, as the calculation agent, will determine the aforesaid adjustment(s) in our sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs; or</li> </ul>

- if there are no futures or options contracts of the affected reference stock(s) traded on the relevant US exchange(s) or the related exchange, we, as the calculation agent, will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the BNP Paribas Basket US Stocks ELIs.

We, as the calculation agent, will also determine, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable, any such ex-date(s) or other relevant date(s) as provided by the relevant US exchange(s) or the related exchange as the effective date(s) of such adjustment(s).

→ For the avoidance of doubt, the declaration or payment of an ordinary dividend is not an extraordinary unforeseeable event and that no adjustment will be made upon its occurrence.

(c) During the investment period, if we, as the calculation agent, determine, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, that an extraordinary unforeseeable event has occurred in relation to a reference stock or a company issuing the reference stock. This would include:

- merger event, amalgamation, takeover offer or other events with similar effect in respect of the company; or
- tender offer by another entity to purchase the company issuing the relevant reference stock.

→ The calculation agent will make such adjustment, if any, to the terms and conditions of the BNP Paribas Basket US Stocks ELIs as it determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, to be appropriate to account for the extraordinary unforeseeable event so as to preserve the economic equivalence of the relevant BNP Paribas Basket US Stocks ELIs in the same manner as described in sub-paragraph (b) above (such adjustment will include, where the company issuing the reference stock has merged with another company, deeming the shares of the surviving entity in the merger to be the new reference stock).

If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that any such adjustment is unable to preserve the economic equivalence of the relevant BNP Paribas Basket US Stocks ELIs, the calculation agent will seek to replace the affected reference stock(s) with another reference stock(s) (selected by the calculation agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner) which meets the criteria of:

- being listed on the relevant US exchange(s) and not already comprised in the reference basket;

- (ii) belongs to a similar economic sector as the affected reference stock; and
- (iii) has a similar market capitalization as the affected reference stock.

If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that it is unable to find a substitute stock which meets all of the above criteria, then the calculation agent will seek to replace the affected reference stock(s) with another reference stock(s) (selected by the calculation agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner) which meets the criteria of (i) and (ii) above only.

If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected reference stock(s) is appropriate to account for that event, we will continue the BNP Paribas Basket US Stocks ELIs and make such replacement as described above and the calculation agent may make any further adjustments to the terms and conditions of the BNP Paribas Basket US Stocks ELIs as it thinks fit (acting in good faith and a commercially reasonable manner) to account for that event. **Any replacement of the reference stock(s) may have an adverse impact on the market value and/or potential payout of the BNP Paribas Basket US Stocks ELIs.**



If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected reference stock(s) is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs as of the date selected by the calculation agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and pay you an amount equal to the fair market value for your BNP Paribas Basket US Stocks ELIs as of the date of termination of the BNP Paribas Basket US Stocks ELIs determined on a per BNP Paribas Basket US Stocks ELI basis (determined by the calculation agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner) no later than the third business day after the date of termination. The fair market value of the BNP Paribas Basket US Stocks ELIs will depend on factors such as the value of the embedded conditional put option, the number of scheduled trading days until the expiry date, any accrued potential cash distribution amounts, the price performance and the volatility of each of the reference stocks, the market interest rate movements, our financial condition, the market's view of our credit quality, and our costs of unwinding any hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs and if a Daily Knock-in Event has occurred (if applicable). **Depending on the then prevailing market conditions, this fair market value may be less, or substantially less, than the original amount you invested.**

For further details, please refer to condition 6 of the terms and conditions on pages 183 to 188 of this product booklet.

<p>(d) During the investment period, if we, as the calculation agent, determine, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, that an additional disruption event has occurred in relation to a reference stock or a company issuing the reference stock. This would include:</p> <ul style="list-style-type: none"> <li>i. the insolvency of the company;</li> <li>ii. the nationalisation of the reference stocks;</li> <li>iii. the delisting of the reference stocks on the relevant US exchange(s);</li> <li>iv. a change in law with the result that it becomes illegal for us to hold or dispose of the reference stocks or will cause us to incur a materially increased cost in performing our obligations under the BNP Paribas Basket US Stocks ELIs;</li> <li>v. our inability to hedge our exposure under the BNP Paribas Basket US Stocks ELIs or a material increase in the cost of hedging our exposure under the BNP Paribas Basket US Stocks ELIs after the trade date (provided that such increase of cost is not incurred because of the deterioration of our creditworthiness); and</li> <li>vi. the institution of proceedings against or the petition by the regulator of the company for the company's winding-up or liquidation.</li> </ul>	<p>→ The calculation agent will seek to replace the affected reference stock(s) with another reference stock(s) (selected by the calculation agent in its sole and absolute acting in good faith and a commercially reasonable manner) based on the same method of selection as stated in sub-paragraph (c) above.</p> <p>If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected reference stock(s) is appropriate to account for that event, we will continue the BNP Paribas Basket US Stocks ELIs and make such replacement as described above and the calculation agent may make any further adjustments to the terms and conditions of the BNP Paribas Basket US Stocks ELIs as it thinks fit (acting in good faith and a commercially reasonable manner).</p> <p>If the calculation agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected reference stock(s) is not appropriate, we will early terminate the BNP Paribas Basket US Stocks ELIs as of the date selected by the calculation agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and pay you an amount equal to the fair market value for your BNP Paribas Basket US Stocks ELIs as of the date of termination of the BNP Paribas Basket US Stocks ELIs determined on a per BNP Paribas Basket US Stocks ELI basis (determined by the calculation agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner) no later than the third business day after the date of termination. The fair market value of the BNP Paribas Basket US Stocks ELIs will depend on factors such as the value of the embedded conditional put option, the number of scheduled trading days until the expiry date, any accrued potential cash distribution amounts, the price performance and the volatility of each of the reference stocks, the market interest rate movements, our financial condition, the market's view of our credit quality, and our costs of unwinding any hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs and if a Daily Knock-in Event has occurred (if applicable). <b>Depending on the then prevailing market conditions, this fair market value may be less, or substantially less, than the original amount you invested.</b></p> <p>For further details, please refer to condition 6 of the terms and conditions on pages 183 to 188 of this product booklet.</p>
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## B. Adjustment to key dates

<b>Will the keys dates relevant to the terms of the BNP Paribas Basket US Stocks ELIs be adjusted?</b>	Some of the key dates relevant to the terms of a series of the BNP Paribas Basket US Stocks ELIs may be adjusted or postponed in certain circumstances.
(a) If the offer period of a series of BNP Paribas Basket US Stocks ELIs is extended:	<p>→ We will postpone all of the following dates:</p> <ul style="list-style-type: none"><li>(i) trade date;</li><li>(ii) issue date;</li><li>(iii) observation period start dates and end dates;</li><li>(iv) call date(s);</li><li>(v) knock-in event date(s) (if applicable);</li><li>(vi) expiry date; and</li><li>(vii) settlement date.</li></ul> <p>If, on the other hand, the offer period is closed early, the dates mentioned above would not be brought forward or postponed.</p>
(b) If the trade date, any observation period start dates or end dates, any knock-in event dates (if applicable), any call dates or the expiry date falls on a day which the relevant US exchange(s) and the related exchange are not scheduled to open for trading:	<ul style="list-style-type: none"><li>(i) No adjustment will be made to any observation period start dates or any observation period end dates (except for the observation period end date for the final observation period that falls on the expiry date or the observation period end date that falls on a call date where the periodic autocall condition applies — see paragraph (ii) below).</li><li>(ii) The trade date, the observation period end date for the final observation period that falls on the expiry date, the observation period end date that falls on a call date where the periodic autocall condition applies, the knock-in event dates (if applicable), the expiry date and the call dates are determined on the basis of a scheduled trading day, which means a day on which the relevant US exchange and the related exchange are scheduled to open for trading.</li></ul> <p>If any of these days falls on a day which is not a scheduled trading day, the affected date will be postponed to the following day on which the relevant US exchange(s) and the related exchange are scheduled to open for trading. We will not pay any extra amount (such as interest) for any postponement of any affected date.</p>

(c) If the trade date, any observation period start dates or end dates, any date for the determination of “days in”, “days out” and “total days” as used in the variable accrual formula, any date for the determination of “n” and “N” as used in the calculation of the fixed potential cash distribution amount (if the daily autocall condition applies and is satisfied on a call date), any call dates, any knock-in event dates (if applicable) or the expiry date falls on a “disrupted day” for a reference stock. This would include:

- a day that is a scheduled trading day but the relevant US exchange(s) or the related exchange is not open for trading; or
- a day on which a market disruption event has occurred.

**(i) For the affected trade date:**

The trade date will be postponed to the following scheduled trading day which is not a “disrupted day” in respect of all the reference stocks in the reference basket (up to a maximum of eight scheduled trading days). If the relevant disruption persists on the eighth scheduled trading day for any of the reference stocks in the reference basket, we will cancel the BNP Paribas Basket US Stocks ELI purchase order and the issue price will not be deducted from your distributor on the issue date. We or your distributor will not charge you any fees for such cancellation.

**(ii) For the affected observation period end date that falls on a call date where the periodic autocall condition applies, call date (if the periodic autocall condition applies), knock-in event date (if the at-expiry knock-in event applies), observation period end date for the final observation period that falls on the expiry date or expiry date:**

Such dates will be postponed to the following scheduled trading day which is not a “disrupted day” in respect of the affected reference stock(s) (up to a maximum of eight scheduled trading days). If the relevant disruption persists on the eighth scheduled trading day, we, as the calculation agent, will treat that eighth scheduled trading day as the adjusted date for the relevant affected date and we will estimate in good faith and a commercially reasonable manner the closing price of the affected reference stock(s) on such day while the closing price of the unaffected reference stock(s) will be determined on the relevant originally scheduled date.

If any of these days is postponed, the corresponding cash distribution payment date, early settlement date or settlement date will be postponed accordingly. No interest shall be payable for any postponement of the cash distribution payment date, early settlement date or settlement date.

**(iii) For the affected observation period end dates (except as provided under paragraph (ii) above) or any observation period start dates:**

No adjustment will be made to such dates.

**(iv) For the affected dates for the determination of “days in”, “days out” and “total days” as used in the variable accrual formula:**

Such dates will be disregarded for the purposes of calculating the number of days in, days out and total days (where the potential cash distribution amount for the relevant observation period is a variable amount) provided that, for the purposes of determining “total days” where the autocall condition is satisfied on a call date, each scheduled trading day from (and excluding) such call date to (and including) the last day of the relevant observation period shall be deemed not to be a disrupted day.

**(v) For the affected dates for the determination of “n” and “N” as used in the calculation of the fixed potential cash distribution amount (if the potential cash distribution amount for an observation period is a fixed amount and the daily autocall condition applies and is satisfied on a call date):**

Such dates will be disregarded for the purposes of determining “n” and “N” as used in the calculation of the fixed potential cash distribution amount provided that, for the purposes of determining “N” where the autocall condition is satisfied on a call date, each scheduled trading day from (and excluding) such call date to (and including) the last day of the relevant observation period shall be deemed not to be a disrupted day.

**(vi) For the affected call date (if the daily autocall condition applies) or knock-in event date (if the daily knock-in event applies):**

Such dates will be disregarded (except where the relevant knock-in event date falls on the expiry date, in which case it shall be postponed along with the expiry date see paragraph (ii) above).

For further details, please refer to condition 2(c) of the terms and conditions on pages 170 to 178 of this product booklet.

- (d) (i) In the case of any payment in cash, if the early settlement date, the settlement date or a cash distribution payment date falls on a day which is not a “business day”:
- (By “business day”, we mean a day (other than Saturdays, Sundays and public holidays) on which banks and foreign exchange markets are open for business in Hong Kong and the major currency business centre of the settlement currency as specified in the relevant term sheet.)
- (i) → (i) The affected date will be postponed to the following day which is a “business day”. We will not pay any interest for any postponement of the early settlement date, the settlement date or the cash distribution payment date.
- (ii) In the case of physical delivery of the asset amount, if:
- (a) the settlement date falls on a day which is not a clearance system business day; or
- (b) there are settlement disruptions within the relevant clearing system on the settlement date.
- (ii) (a) The affected date will be postponed to the following clearance system business day. We will not pay any interest for any postponement of the settlement date.
- (b) If there are settlement disruptions within the relevant clearing system on the settlement date, the delivery of the worst performing stock as of the expiry date which forms the asset amount will be postponed until the next practicable clearance system business day (up to a maximum of eight clearance system business days). If such settlement disruptions persist on the eighth clearance system business day, (i) we will use reasonable efforts to deliver such worst performing stock promptly thereafter using such other commercially reasonable manner as we may select (which may include but shall not be limited to delivery outside the relevant clearing system) and/or (ii) if such worst performing stock cannot be delivered in any other commercially reasonable manner, then the settlement date will be postponed until delivery can be effected through the relevant clearing system or such other commercially reasonable manner. Please see the section “More Information about Delivery of the Asset Amount” in this product booklet for further details.



### C. Arrangement upon the occurrence of an RMB disruption event

<b>What happens if an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment?</b>	
<p>In the case where the settlement currency of the BNP Paribas Basket US Stocks ELIs is RMB, if an RMB disruption event occurs on, or prior to and is continuing on, any day on which any amount payable in RMB under the BNP Paribas Basket US Stocks ELIs are scheduled to be paid:</p> <p>An “RMB disruption event” means the occurrence of any event that, as determined by us as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, makes it impossible for us as the issuer:</p> <ul style="list-style-type: none"><li>(i) to obtain a firm quote of a price in respect of any amount due and payable in RMB under the BNP Paribas Basket US Stocks ELIs on the relevant scheduled date of payment in the RMB exchange market in Hong Kong in order to perform our obligations under the BNP Paribas Basket US Stocks ELIs;</li><li>(ii) to convert into RMB for any amount due and payable in RMB under the BNP Paribas Basket US Stocks ELIs in the RMB exchange market in Hong Kong; or</li><li>(iii) to transfer RMB between accounts inside Hong Kong,</li></ul> <p>in the case of (ii) and (iii) above, other than where such impossibility is due to our failure to comply with any law, rule or regulation enacted by any government authority (unless such law, rule or regulation is enacted after the issue date and it is impossible for us, due to an event beyond our control, to comply with such law, rule or regulation).</p> <p>For the avoidance of doubt, the following events shall not constitute an RMB disruption event:</p> <ul style="list-style-type: none"><li>(A) in the case of (i) above, our inability to obtain such firm quote solely due to issues relating to our creditworthiness; and</li><li>(B) in the case of (ii) above, our inability to convert into RMB for any amount due and payable in RMB under the BNP Paribas Basket US Stocks ELIs solely due to issues relating to our creditworthiness.</li></ul>	<p>→ Such payment in RMB will be postponed to the third business day after the date on which the RMB disruption event ceases to exist, unless the RMB disruption event continues to exist for twelve consecutive business days from the original date, but for the occurrence of the RMB disruption event, would have been the date for such payment. In such case, we shall make payment of the HKD equivalent amount no later than the third business day after such twelfth business day based on the mid-market exchange rate for offshore RMB of HKD per 1 RMB as per Bloomberg Page “CNHHKD Curncy” as of 4.00 p.m. (Hong Kong time) on such twelfth Business Day, provided that if such Bloomberg rate is not available to trade or if such rate is determined by the calculation agent as unreliable, we (as the calculation agent) shall determine such exchange rate in our sole and absolute discretion acting in good faith and a commercially reasonable manner. We will not pay any extra amount for such postponed payment.</p>

The above tables set out a ready reference of the possible adjustments that we may make to the terms and conditions of the BNP Paribas Basket US Stocks ELIs, replacement of the reference stock(s), early termination of the BNP Paribas Basket US Stocks ELIs, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event.

If we (as the calculation agent) determine to make an adjustment to the terms and conditions or the key dates of a series of the BNP Paribas Basket US Stocks ELIs or replace the affected reference stock(s) or early terminate the BNP Paribas Basket US Stocks ELIs or take other actions upon the occurrence of an RMB disruption event, we will notify the distributor(s) as soon as practicable by no later than three business days after such determination has been made and the distributor(s) will in turn inform you. **Any adjustments to the terms and conditions, replacement of the reference stock(s), early termination of the BNP Paribas Basket US Stocks ELIs, adjustments to key dates and arrangement upon the occurrence of an RMB disruption event will be made by us (as the calculation agent) in our sole and absolute discretion acting in good faith and a commercially reasonable manner, and any replacement of the reference stock(s) may have an adverse impact on the market value and/or potential payout of the BNP Paribas Basket US Stocks ELIs.**

## MORE INFORMATION ABOUT DELIVERY OF THE ASSET AMOUNT

### When will the asset amount be delivered?

- If the BNP Paribas Basket US Stocks ELIs are to be settled by physical delivery of the asset amount, you will receive (through your distributor) the asset amount on the settlement date provided that you have paid all **physical settlement expenses**, including buyer's stamp duty (if applicable, subject to the prevailing laws and regulations), transaction levies, registration charges and any other costs and expenses incurred in connection with the transfer and receipt of the worst performing stock on the expiry date which forms the asset amount. Pursuant to the terms and conditions of our BNP Paribas Basket US Stocks ELIs, the ELI holder has appointed us (as the issuer) or our agent to use the cash equivalent of the asset amount to purchase (on behalf of the ELI holder) the relevant number of the worst performing stock on the expiry date which forms the asset amount and procure delivery of such number of the worst performing stock to the ELI holder who will instruct the relevant clearance system (being Depository Trust and Clearing Corporation) to deliver such number of the worst performing stock to the distributor(s) by way of electronic settlement through relevant clearance system. You will have to rely (i) on the relevant clearance system to credit the accounts of the distributor(s) with the asset amount and (ii) on your distributor to ensure you receive the settlement amount on the settlement date. Scheduled dates for the delivery of the relevant number of the worst performing stock on the expiry date which forms the asset amount must be days on which the relevant clearance system is open. Your distributor may also charge you a fee for depositing the asset amount into your account with your distributor and the provision of other securities services. Please ask your distributor for further details.
- Upon the occurrence of an event beyond our control which we, as the calculation agent, in our sole and absolute discretion acting in good faith and a commercially reasonable manner, determine that it is not possible to deliver the relevant number of the worst performing stock on the expiry date which forms the asset amount to you via the relevant clearance system, the delivery of such worst performing stock will be postponed until the next practicable clearance system business day (up to a maximum of eight clearance system business days). If such event persists on the eighth clearance system business day, (i) we will use reasonable efforts to deliver such worst performing stock promptly thereafter using such other commercially reasonable manner as we may select (which may include but shall not be limited to delivery outside the relevant clearance system) and/or (ii) if such worst performing stock cannot be delivered in any other commercially reasonable manner, then the settlement date will be postponed until delivery can be effected through the relevant clearance system or such other commercially reasonable manner. We will give notice to the distributor(s) of (i) any postponement of the settlement date upon the occurrence of the relevant event on the originally scheduled settlement date and (ii) whether we will be able to deliver the relevant number of the worst performing stock on the expiry date which forms the asset amount in another commercially reasonable manner or whether the delivery of such worst performing stock will be postponed indefinitely until delivery can be effected through the relevant clearance system or another commercially reasonable manner on such eighth clearance system business day. Your distributor will in turn inform you.
- The delay may persist for a prolonged period or indefinitely and we will not pay any interest for any delay in delivery of the worst performing stock on the expiry date.
- This is a summary of some of the provisions relating to physical delivery of the asset amount. For further details, please refer to the general terms and conditions as set out in Appendix B to this product booklet and the relevant final term sheet.

**What if fractional shares of the worst performing stock on the expiry date are deliverable?**

- We will not deliver any fractional shares of the worst performing stock on the expiry date but instead will pay a cash equivalent for that fractional share. No cash settlement expenses will be payable for the cash payment of any fractional shares of such worst performing stock to you.
- This cash equivalent for the fractional share of the worst performing stock on the expiry date in the settlement currency is calculated as follows (calculated to the nearest 0.01, 0.005 or above being rounded upwards):

$$\begin{array}{l} \text{Fractional shares (rounded to the nearest} \\ \text{0.0001, with 0.00005 or above being} \\ \text{rounded upwards)} \end{array} \quad \times \quad \begin{array}{l} \text{closing price of the worst performing} \\ \text{stock on the expiry date (converted into} \\ \text{the settlement currency at the exchange} \\ \text{rate as specified in the relevant term} \\ \text{sheet if the settlement currency is not the} \\ \text{same as the underlying currency of such} \\ \text{worst performing stock)} \end{array}$$

- The number of the worst performing stock on the expiry date forming the asset amount will be calculated on a per BNP Paribas Basket US Stocks ELI basis.

## MORE INFORMATION ABOUT THE BNP PARIBAS BASKET US STOCKS ELIS

### WHAT IS INCLUDED IN OUR BNP PARIBAS BASKET US STOCKS ELIS DOCUMENTATION?

#### BNP Paribas Basket US Stocks ELI offering documents

The following documents constitute the offering documents of the BNP Paribas Basket US Stocks ELIs. **You should read all of these documents (including any addendum to these documents as set out in the relevant term sheet) before deciding whether to invest:**

Name of offering document	Content of document
(i) Programme memorandum	<p>The programme memorandum contains an overview of our unlisted equity linked investment programme, including:</p> <ul style="list-style-type: none"><li>• United States and Hong Kong taxation issues relating to the unlisted equity linked investment issued/to be issued under the programme;</li><li>• general information regarding the unlisted equity linked investments issued/to be issued under the programme;</li><li>• the general procedure for buying the unlisted equity linked investments issued/to be issued under the programme through a distributor, how your distributor will hold your unlisted equity linked investments and receive notices, assets and payments from us on your behalf;</li><li>• general information about us; and</li><li>• a description of our business condition.</li></ul>
(ii) Financial disclosure document	<p>The financial disclosure document contains information about the financial information and risk management system in relation to us.</p>
(iii) Product booklet	<p>This product booklet contains the general terms and conditions that apply to the six variations of the BNP Paribas Basket US Stocks ELIs that we can issue under our programme. This product booklet also explains how the BNP Paribas Basket US Stocks ELIs work and sets out the product features and risk factors relating to the BNP Paribas Basket US Stocks ELIs. To help your understanding, we have also included a key facts statement for each variation of BNP Paribas Basket US Stocks ELIs on pages 4 to 84 of this product booklet and hypothetical examples to illustrate how the BNP Paribas Basket US Stocks ELIs work in Appendix C to this product booklet.</p>
(iv) Indicative term sheet	<p>The indicative term sheet sets out a summary of the specific terms that are applicable to the series of BNP Paribas Basket US Stocks ELIs you wish to buy. These specific terms will also be set out in the relevant final term sheet.</p> <p>We have set out in Appendix A to this product booklet a form of the term sheet for the BNP Paribas Basket US Stocks ELIs. The form of term sheet sets out the variables which may only be specified at the time you apply for the BNP Paribas Basket US Stocks ELIs (except for the terms that may only be determined after your purchase).</p>

The BNP Paribas Basket US Stocks ELI offering documents are available free of charge during the offer period or while any of the BNP Paribas Basket US Stocks ELI remains outstanding through any one of the following means:

- (i) electronic copies (if available) from the distributor(s) by emails and/or from our designated website and/or other electronic means as set out in the relevant term sheet; and/or
- (ii) hard copies from the distributor(s).

The distribution means for a particular series of the BNP Paribas Basket US Stocks ELIs will be specified in the relevant term sheet.

**The offer of each series of BNP Paribas Basket US Stocks ELIs is made only on the basis of our programme memorandum, the financial disclosure document, this product booklet and the relevant indicative term sheet (together with any addendum to this product booklet, the programme memorandum and/or the financial disclosure document as specified in the term sheet).**

## **LEGAL TERMS AND CONDITIONS OF THE BNP PARIBAS BASKET US STOCKS ELIS**

The following documents set out the legally binding terms and conditions of the BNP Paribas Basket US Stocks ELIs:

- (i) **Terms and Conditions of the BNP Paribas Basket US Stocks ELIs:** the general terms and conditions that are applicable to all series of the BNP Paribas Basket US Stocks ELIs are set out in Appendix B to this product booklet. These terms and conditions will be amended, supplemented, replaced or modified by the specific terms that are applicable to a series of BNP Paribas Basket US Stocks ELIs, as set out in the relevant final term sheet.
- (ii) **Final Term Sheet for the BNP Paribas Basket US Stocks ELIs:** the general terms and conditions as set out in the relevant product booklet may be amended, supplemented, replaced or modified by the specific terms that are applicable to a series of BNP Paribas Basket US Stocks ELIs, as set out in the relevant final term sheet. The final term sheet will set out the specific commercial terms that are applicable to a particular series of BNP Paribas Basket US Stocks ELIs. The final term sheet (in separate English and Chinese language versions) for each series of BNP Paribas Basket US Stocks ELIs will be available for inspection at the offices of the product arranger and the relevant distributors on or after the relevant issue date. We have set out in Appendix A to this product booklet a form of the final term sheet for the BNP Paribas Basket US Stocks ELIs. Please note, the final term sheet is not a BNP Paribas Basket US Stocks ELI offering document.

## **HOW CAN I BUY THE BNP PARIBAS BASKET US STOCKS ELIS?**

- If you wish to purchase a series of BNP Paribas Basket US Stocks ELIs, you can enquire about the range of BNP Paribas Basket US Stocks ELIs on offer by contacting the appointed distributor(s) specified in the relevant term sheet.
- Once you have made your investment decision, you will need to complete your distributor's order form which can be obtained at any designated branches of the appointed distributor(s) for the BNP Paribas Basket US Stocks ELIs.
- Your distributor will make the application with us directly on your behalf. You cannot purchase the BNP Paribas Basket US Stocks ELIs directly from us. Your distributor will inform you the amount you have to pay and any applicable charges.
- You must already have, or must open, an investment account and a cash account with the appointed distributor(s). Your distributor will hold your BNP Paribas Basket US Stocks ELIs for you in your investment account. Please see the section headed "The Unlisted Equity Linked Investment Programme — Main Features" in the programme memorandum for further details.



- You must also have, or must open, a US securities account with the appointed distributor(s) and must maintain such US securities account throughout the tenor of the BNP Paribas Basket US Stocks ELIs. The US securities account will be used to receive the asset amount in the case of physical delivery of the worst performing stock.

## REFERENCES TO “INVESTORS” AND “YOU”

References in the BNP Paribas Basket US Stocks ELI offering documents to “investors” or to “you” are references to investors who have made an application for the BNP Paribas Basket US Stocks ELIs through a distributor.

## IS THERE A POST-SALE COOLING-OFF PERIOD FOR THE BNP PARIBAS BASKET US STOCKS ELIS?

The relevant term sheet will specify whether a post-sale cooling-off period applies to a series of BNP Paribas Basket US Stocks ELIs.

### *BNP Paribas Basket US Stocks ELIs with an investment period of more than one year*

- If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than one year, you can cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the period from (and including) the date you place your purchase order (the order date) to (and including) the fifth Hong Kong business day after the order date (this period is referred to as the “**post-sale cooling-off period**”). If you choose to do so, you will need to submit your instructions (via your distributor) to us, as the market agent, within a specified timeframe (as specified in the relevant term sheet) on any Hong Kong business day during the post-sale cooling-off period. Any exercise of your right to cancel or unwind your purchase order shall be irrevocable.
- Upon receipt of your instructions to cancel or unwind your purchase order, we, as the market agent, are obliged to cancel the BNP Paribas Basket US Stocks ELI purchase order or unwind the BNP Paribas Basket US Stocks ELI at the order unwind price (as the case may be).
- The order unwind price will be determined by us, as the market agent, in good faith and a commercially reasonable manner in accordance with the formula as stated below.
- If you submit your instructions to cancel the BNP Paribas Basket US Stocks ELI purchase order (via your distributor) to us, as the market agent, before the trade date, the issue price will not be deducted from your account with your distributor on the issue date. There will be no market value adjustments. However, your distributor may charge you a handling fee when you cancel your purchase order during the post-sale cooling-off period. Please ask your distributor for details.
- If you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order (via your distributor) to us, as the market agent, on or after the trade date, the issue price will be deducted from your account with your distributor on the issue date and we, as the market agent, will pay the order unwind price (being a cash amount equal to the issue price less any market value adjustments) on a per BNP Paribas Basket US Stocks ELI basis to your distributor on the later of: (i) the third business day after the day you submit your instructions to unwind the BNP Paribas Basket US Stocks ELI purchase order; or (ii) the third business day after the issue date. Your distributor will deliver the order unwind price to you on such day in accordance with its normal operating procedures. Your distributor may also charge you a handling fee for the unwind of the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling off period and deduct such handling fee from the order unwind price payable to you. Please ask your distributor for details of any handling fees that it may charge.
- In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “The BNP Paribas

Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet for further details.

- Any market value adjustments (the value of which will depend on factors such as market interest rate movements, our financial condition, the market’s view of our credit quality, the value of the embedded put option, the number of scheduled trading days until the expiry date, any accrued potential cash distribution amount, the price performance and price volatility of each of the reference stocks and if a Daily Knock-in Event has occurred (if applicable)) will be factored into the order unwind price. Our transaction costs (if any), including any cost which has been incurred by us in unwinding the hedging arrangements relating to such BNP Paribas Basket US Stocks ELIs will also be included in the calculation of the market value adjustments. However, the order unwind price of the BNP Paribas Basket US Stocks ELIs will not be reduced by any commission paid to the distributor who sold you the BNP Paribas Basket US Stocks ELIs. **The order unwind price of our BNP Paribas Basket US Stocks ELIs is capped at and may be substantially less than the issue price.**
- In addition, in order for you to exercise the right to unwind or cancel (as the case may be) the BNP Paribas Basket US Stocks ELI purchase order during the post-sale cooling-off period, the following conditions have to be satisfied:
  - (i) you have not sold the relevant BNP Paribas Basket US Stocks ELIs you wish to unwind or cancel;
  - (ii) if the BNP Paribas Basket US Stocks ELIs have been issued, the BNP Paribas Basket US Stocks ELIs are subsisting and have not otherwise expired or terminated; and
  - (iii) you can only choose to unwind or cancel the whole (and not part) of your purchase order of BNP Paribas Basket US Stocks ELIs.

*BNP Paribas Basket US Stocks ELIs with an investment period of one year or less*

You should note that the right to cancel or unwind (as the case may be) the BNP Paribas Basket US Stocks ELIs purchase order during the post-sale cooling-off period does not apply to BNP Paribas Basket US Stocks ELIs with an investment period of one year or less.

**ARE THERE ANY MARKET MAKING ARRANGEMENTS FOR YOUR BNP PARIBAS BASKET US STOCKS ELIS BEFORE THEIR EXPIRY?**

*BNP Paribas Basket US Stocks ELIs with an investment period of more than six months*

- If you have purchased a BNP Paribas Basket US Stocks ELI with an investment period of more than six months, we, as the market agent, will provide limited market making arrangements for the BNP Paribas Basket US Stocks ELIs on a bi-weekly basis on a weekday as specified in the relevant term sheet after (and excluding) the issue date up to (and including) the third Hong Kong business day before the expiry date (each, a **market making day**). If (a) any such market making day is not a Hong Kong business day or a scheduled trading day on which the relevant US exchange(s) and each related exchange are scheduled to open for trading, (b) the BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the scheduled trading day immediately preceding such market making day, or (c) we experience any technical problems beyond our control affecting our ability to provide an indicative bid price for the BNP Paribas Basket US Stocks ELIs (including any power failure or breakdown of our computer system) on such market making day, that market making day will be postponed to the next day which is both a Hong Kong business day and a scheduled trading day on which the relevant US exchange(s) and each related exchange are open for trading and not affected by any such events.

- On each market making day, we (as the market agent) will, upon your request submitted via your distributor, make available (through the distributors) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during normal business hours in Hong Kong. Your request for indicative bid prices must be submitted (via your distributor) to us between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on that market making day specifying the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount). You may choose to sell all or some of the BNP Paribas Basket US Stocks ELIs provided that the total number of BNP Paribas Basket US Stocks ELI you choose to sell is an integral number.
- The indicative bid prices will be determined by us, as the market agent, at its sole and absolute discretion acting in good faith and a commercially reasonable manner and taking into account certain factors such as market interest rate movements, our financial condition, the market's view of our credit quality, the value of the embedded put option, the number of scheduled trading days until the expiry date, any accrued potential cash distribution amount, the price performance (including the previous closing price) and price volatility of each of the reference stocks, any cost which is, or would be, incurred by us in unwinding our hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs and if a Daily Knock-in Event has occurred (if applicable). Such indicative bid prices will be subject to intra-day change, depending on the prevailing market conditions.
- The indicative bid prices are provided for your reference only to decide the limit order price (as defined below) at which you may place a limit sell back order. In addition, the indicative bid prices do not represent the actual price (as defined below) at which we will execute your limit sell back order.
- If you decide to sell the BNP Paribas Basket US Stocks ELIs back to us, you can place a limit sell back order (via your distributor) with us specifying your proposed sell back price ("**limit order price**") and the amount of the BNP Paribas Basket US Stocks ELIs that you intend to sell (such amount has to be equal to, or a multiple of, the minimum transfer amount being the nominal amount) between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on a market making day. Your limit sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.
- Once you have placed a limit sell back order (via your distributor) with us at the limit order price on a market making day, it cannot be cancelled, withdrawn or adjusted after 5.00 p.m. (Hong Kong time). We will seek to execute your limit sell back order at a price at or above the limit order price during the trading hours of the relevant US exchange(s) on such market making day (such price, the "**actual price**"). Please refer to the relevant term sheet for details of the trading hours of the relevant US exchange(s).
- The actual price at which you are able to sell back your BNP Paribas Basket US Stocks ELIs will:
  - (i) be affected by the prevailing market conditions during the trading hours of the relevant US exchange(s) on the market making day, which are after close of business hours in Hong Kong and are therefore subject to changes to the market condition after the normal business hours in Hong Kong on such market making day; and
  - (ii) depend on certain factors, including (without limitation), market interest rate movements, our financial condition, the market's view of our credit quality, the value of the embedded put option, the number of scheduled trading days until the expiry date, any accrued potential cash distribution amount, the prevailing spot price, price performance and price volatility of each of the reference stocks, any cost which is, or would be, incurred by us in unwinding our hedging arrangements relating to the BNP Paribas Basket US Stocks ELIs and if a Daily Knock-in Event has occurred (if applicable).
- Your limit sell back order placed on a market making day will not be executed if:
  - (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day;

- (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption events on such day; or
  - (iii) the prevailing price of the BNP Paribas Basket US Stocks ELIs is below the limit order price of your limit sell back order throughout the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.
- If your limit sell back order is not executed because (i) the relevant US exchange(s) fails to open for trading during its regular trading session on the relevant market making day, or (ii) the relevant BNP Paribas Basket US Stocks ELIs are affected by market disruption events on the relevant market making day, we will notify you (via your distributor) of the occurrence of an event described under (i) and/or (ii) by 12.00 p.m. (Hong Kong time) on the Hong Kong business day immediately following the relevant market making day. You may request from us (via your distributor) a refreshed indicative bid price before 4.00p.m. (Hong Kong time) on the next day immediately following the relevant market making day (i) which is a Hong Kong business day and a scheduled trading day on which the relevant US exchange(s) and each related exchange are scheduled to open for trading and (ii) where the BNP Paribas Basket US Stocks ELIs are not affected by market disruption events and the relevant US Exchange(s) is open for trading during its regular trading session on the scheduled trading day immediately preceding such day (notwithstanding that such day is not originally a market making day). If you elect to place an adjusted limit sell back order, you must (via your distributor) inform us and submit your adjusted limit order price for the original amount of BNP Paribas Basket US Stocks ELIs that you intend to sell (if applicable) to us before 5.00 p.m. (Hong Kong time) on the same day. If we do not receive any request from you (via your distributor) by then, your limit sell back order will lapse.
- If your limit sell back order is not executed because the prevailing price of the BNP Paribas Basket US Stocks ELIs is below the limit order price of your limit sell back order throughout the trading hours of the relevant US exchange(s) on the relevant market making day, your limit sell back order will lapse and you will need to place a new limit sell back order specifying a new limit order price during the Hong Kong business hours on the next market making day if you still want to sell back your BNP Paribas Basket US Stocks ELIs.
- Once the prevailing price of the BNP Paribas Basket US Stocks ELIs reaches or goes above the limit order price of your limit sell back order placed on the market making day, we will execute your limit sell back order at such prevailing price. However, such prevailing price may not be the highest price of the BNP Paribas Basket US Stocks ELIs throughout the trading hours of the relevant US exchange(s) on the market making day that you have placed such order. In this case, once your limit sell back order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside.
- We (as the market agent) will notify you (via your distributor) of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed, before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day.
- If your limit sell back order was executed on a market making day, we, as the market agent, will deliver the sale proceeds of the BNP Paribas Basket US Stocks ELIs to your distributor no later than the third business day after that market making day and your distributor will deliver such proceeds to you on the same day in accordance with its normal operating procedures. Please check with your distributor for details.
- **Please note that the actual amount you receive from selling your BNP Paribas Basket US Stocks ELIs on a market making day may be substantially less than your original investment amount.** Also, your distributor may charge you a fee for handling the market-making arrangement applications when you sell the BNP Paribas Basket US Stocks ELIs back to us on a market making day and such fees or charges will reduce the amount you receive. Please contact your distributor for details.

- In addition, if the settlement currency is RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, such payment will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “The BNP Paribas Basket US Stocks ELIs — Extraordinary Unforeseeable Events, Adjustments to Terms and Conditions, Replacement, Early Termination, Adjustments to Key Dates and Arrangement Upon the Occurrence of an RMB Disruption Event” on pages 120 to 130 of this product booklet for further details.
- The following table provides a summary of our market making arrangements:

Each market making day	We (as the market agent), upon your request, will make available to you (via your distributor) indicative bid prices (on a per BNP Paribas Basket US Stocks ELI basis) during Hong Kong normal business hours.
From 10.00 a.m. to 4.00 p.m. (Hong Kong time) on a market making day (“ <b>Relevant Market Making Day</b> ”) - period for any request for indicative bid prices	You must submit (via your distributor) to us your request for an indicative bid price and specify the amount of the BNP Paribas Basket US Stocks ELIs that you intend to sell between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on a market making day.
From 10.00 a.m. to 5.00 p.m. (Hong Kong time) on the Relevant Market Making Day - period for placing a limit sell back order	If you decide to sell the BNP Paribas Basket US Stocks ELIs, you must place a limit sell back order (via your distributor) with us specifying your limit order price and the amount of BNP Paribas Basket US Stocks ELIs that you intend to sell between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on the Relevant Market Making Day.
During the trading hours of the relevant US exchange(s) on the Relevant Market Making Day	We, as the market agent, will seek to execute your limit sell back order at a price <b>at or above</b> the limit order price. If the prevailing price of the BNP Paribas Basket US Stocks ELIs throughout the trading hours of the relevant US exchange(s) on the Relevant Market Making Day is <b>below</b> the limit order price of your limit sell back order, your limit sell back order will not be executed and will lapse.
Before 4.00 p.m. (Hong Kong time) on the business day immediately following the Relevant Market Making Day	We (as the market agent) will notify you (via your distributor) whether your limit sell back order was executed, and if so, the actual price at which your limit sell back order was executed.
No later than the third business day after the Relevant Market Making Day (if the order is executed)	The cash received from selling back the BNP Paribas Basket US Stocks ELIs will be credited to your account.

*BNP Paribas Basket US Stocks ELIs with an investment period of six months or less*

- There is no market making arrangement for the BNP Paribas Basket US Stocks ELIs with an investment period of six months or less. The above arrangements therefore do not apply to such BNP Paribas Basket US Stocks ELIs.



## **WHO MAY CONSIDER BUYING THE BNP PARIBAS BASKET US STOCKS ELIS?**

The BNP Paribas Basket US Stocks ELIs are designed for experienced investors who:

- have experience in investing in unlisted structured investment products embedded with derivatives and are looking for more tailored ways of investing in accordance with their market views. Investors can choose from the range of BNP Paribas Basket US Stocks ELIs on offer to suit their investment view, risk appetite and return requirements;
- take a stable or moderately bullish view on the price of all the reference stocks in the basket;
- are looking for an opportunity to earn potential cash distribution amounts during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs;
- understand that the BNP Paribas Basket US Stocks ELIs are unlisted structured investment products which are not equivalent to time deposits or direct investments in the reference stocks;
- understand that the BNP Paribas Basket US Stocks ELIs are not capital protected and accept that they could lose all of their investment;
- understand that they may receive the relevant worst performing stock on the expiry date as the settlement amount at expiry, and the market value of which may be much lower than the capital invested; and
- understand that there will only be limited market making arrangements for the BNP Paribas Basket US Stocks ELIs and therefore are prepared to hold them to their expiry.

**The BNP Paribas Basket US Stocks ELIs are not designed for inexperienced investors who are not familiar with unlisted structured investment products. You should not buy this product if:**

- **you do not have knowledge or experience in investing in structured investment products embedded with derivatives;**
- **you do not want to take our credit risk;**
- **you do not want to risk any part of your capital; or**
- **you may need to sell your BNP Paribas Basket US Stocks ELIs before the end of the scheduled tenor of the BNP Paribas Basket US Stocks ELIs for liquidity needs.**

## **HOW WILL I KNOW WHAT THE POTENTIAL CASH DISTRIBUTION AMOUNT (IF ANY), THE EARLY SETTLEMENT AMOUNT OR, AS THE CASE MAYBE, THE SETTLEMENT AMOUNT WILL BE?**

We will notify the distributor(s) as soon as practicable and in any event no later than three business days after the determination of the relevant potential cash distribution amount (if any), early settlement amount or, as the case maybe, settlement amount has been made and your distributor will in turn inform you.

### **United States Taxation**

We set out below a summary of the United States tax laws based on current law and practice in the United States. It is intended to give you an overview of what United States tax you might have to pay if you hold the BNP Paribas Basket US Stocks ELIs. It supplements the paragraphs headed "UNITED STATES — FATCA Withholding Tax for Non-U.S. Investors" at page 23 of the programme memorandum.



This is not intended to be a comprehensive description of all relevant U.S. tax implications that may be applicable to the BNP Paribas Basket US Stocks ELIs or an investor investing in the BNP Paribas Basket US Stocks ELIs and we are not giving you any tax advice. You should consult your own tax adviser about the tax consequences of investing in the BNP Paribas Basket US Stocks ELIs, particularly if you are subject to special tax rules (for example, if you are a bank, dealer, insurance company or a tax-exempt entity under applicable laws).

### **FATCA Withholding Tax for Non-U.S. Investors**

Legislation known as the United States Hiring Incentives to Restore Employment Act (the “**HIRE Act**”), which included provisions referred to as the Foreign Account Tax Compliance Act (“**FATCA**”), was passed in the United States on 18 March 2010. Under FATCA (and official guidance issued thereunder), BNP Paribas (as the issuer) or the distributors of the BNP Paribas Basket US Stocks ELIs may be required to withhold moneys on account of U.S. federal tax on all, or a portion of:

- (a) any payments made in respect of the BNP Paribas Basket US Stocks ELIs that constitute “dividend equivalents” (as described below under “Dividend Equivalent Payments”) for U.S. federal income tax purposes (such payments, “**U.S. Source Payments**”)<sup>1</sup>; or
- (b) any “foreign passthru payments” (regardless of whether such payments have any connection to a U.S. Source Payment) made after 31 December 2018 in respect of the BNP Paribas Basket US Stocks ELIs, subject to the exceptions described below.

Subject to the discussion below regarding the withholding on gross proceeds under the Proposed Regulations (as defined below), FATCA withholding tax can affect both coupon or periodic payments and “gross proceeds” (including any payment of the settlement at maturity).

As discussed in more details below under “Dividend Equivalent Payments”, the payments made with respect to a BNP Paribas Basket US Stocks ELI will not constitute “dividend equivalents” and therefore will not constitute U.S. Source Payments. In addition, based on the provisions of FATCA, current regulations issued thereunder and other related official guidance issued by the U.S. Internal Revenue Service (the “**IRS**”), we do not expect any payments made with respect to a BNP Paribas Basket US Stocks ELI to constitute “foreign passthru payments” because the BNP Paribas Basket US Stocks ELI will be issued on or before (and will not be materially modified after) the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register (the “**Grandfather Date**”). As of the date of this product booklet, no final regulation defining the term “foreign passthru payment” has been filed with the U.S. Federal Register.

Recently issued proposed regulations (the “**Proposed Regulations**”) would eliminate FATCA withholding tax on “gross proceeds” and delay the withholding on “foreign passthru payments” until the date that is two years after the date of publication in the U.S. Federal Register of final regulations defining the term “foreign passthru payment” (the “**Delayed Withholding Effective Date**”). As of the date of this product booklet, no such final regulation has been published in the U.S. Federal Register. Taxpayers generally may rely on the Proposed Regulations until the final regulations are issued. There is no assurance, however, that the final regulations, once issued, will not reinstate this withholding obligation (or otherwise modify the Proposed Regulations), possibly with retroactive effect. We do not expect any BNP Paribas Basket US Stocks ELI issued will provide for any payments on or after the Delayed Withholding Effective Date.

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<sup>1</sup> Under the applicable U.S. federal income tax rules, unless payments made under the BNP Paribas Basket US Stocks ELIs constitute “dividend equivalents”, meaning payments that are linked to the value of, or dividends on, stock issued by an entity that is treated as a U.S. corporation (or by any other entity the dividends of which would be U.S. source), such payments will not be treated as U.S. Source Payments because the payments will be made by us, being a non-U.S. entity.

Based on the foregoing, the BNP Paribas Basket US Stocks ELI does not provide for payments that are U.S. Source Payments or “foreign passthru payments”. Therefore, on the basis of the current regulations, the Proposed Regulations and official guidance, payments made with respect to the BNP Paribas Basket US Stocks ELIs issued under this product booklet will not be subject to FATCA withholding tax.

The FATCA provisions are particularly complex, and their application is uncertain at this time. You should consult your own tax adviser as to the application of FATCA, the current regulations, the Proposed Regulations, official guidance and the above analysis to the BNP Paribas Basket US Stocks ELIs, including the possibility of meeting certain documentation requirements to be exempt from FATCA withholding tax.

### **Dividend Equivalent Payments**

Under section 871(m) of the U.S. Internal Revenue Code and the official guidance issued thereunder (the “**Section 871(m) Rules**”), payments or deemed payments with respect to equity-linked instruments that are “**Specified ELIs**” (as defined in the applicable U.S. Treasury regulations) may be treated as “dividend equivalents”, if such Specified ELIs reference the value of one or more “underlying securities”, which generally mean any interest in an entity that is treated as a U.S. corporation for U.S. federal income tax purposes if that interest could give rise to a U.S. source dividend. A withholding tax at a rate of 30% (or a lower rate under an applicable income tax treaty) is imposed on such dividend equivalents if paid to a Non-U.S. Investor. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. The U.S. Treasury regulations provide that the withholding tax applies to all payments or deemed payments with respect to Specified ELIs that have a “delta”<sup>2</sup> (as defined in the applicable U.S. Treasury regulations) of one (“**Delta-One Specified ELIs**”) issued after 2016 and to all payments or deemed payments with respect to all other Specified ELIs issued after 2018. However, the IRS has issued guidance that states that the U.S. Treasury Department and the IRS intend to amend the effective dates of the Treasury regulations to provide that payments or deemed payments with respect to Specified ELIs that are not Delta-One Specified ELIs and are issued before (and is not materially modified after) 1 January 2025 do not constitute “dividend equivalents” and will not be subject to withholding tax under the Section 871(m) Rules (the “**Grandfather/Delta Exemption**”).

The BNP Paribas Basket US Stocks ELIs may be classified as the Specified ELIs unless the Grandfather/Delta Exemption applies.

Our outside counsel has conducted extensive analysis on whether the BNP Paribas Basket US Stocks ELIs are classified as the Specified ELIs and the applicability of the Grandfather/Delta Exemption. After obtaining the advice of our outside counsel, we have determined and concluded that the BNP Paribas Basket US Stocks ELIs should not be classified as the Specified ELIs, and, in the event the BNP Paribas Basket US Stocks ELIs are treated as the Specified ELIs, the Grandfather/Delta Exemption will apply. Therefore, the payments made under the BNP Paribas Basket US Stocks ELIs do not constitute “dividend equivalents” and will not be subject to withholding tax under the Section 871(m) Rules.

However, Non-U.S. Investors that enter, or have entered, into other transactions in respect of the underlying U.S. stock could be subject to such U.S. withholding tax if the investment in the BNP Paribas Basket US Stocks ELIs and the other transactions combined replicate the economics of a transaction that would be subject to the U.S. withholding tax under the Section 871(m) Rules. You should note that the Section 871(m) Rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying U.S. stock. In addition, the IRS may successfully argue that the payments made under the BNP Paribas Basket US Stocks ELIs are treated as “dividend equivalents”. You should, prior to your investment in the BNP Paribas Basket US Stocks ELIs, consult your own tax adviser regarding the application of the Section 871(m) Rules arising from such investment.

<sup>2</sup> In general terms, the “delta” of a Specified ELI is a ratio that compares the change in the price of the relevant underlying assets (the U.S. stocks in our case) with the change in the price of the derivatives (the BNP Paribas Basket US Stocks ELIs in our case). The higher the delta is, the closer the Specified ELIs will track the underlying assets. For example, if a Specified ELI has a delta of one, then it would be expected that changes in the value of the Specified ELI and changes in the value of the relevant underlying assets would mirror each other exactly.

The above summary only applies to you if you are a “**Non-U.S. Investor**”. You are a Non-U.S. Investor unless you are: (1) an individual citizen or resident of the United States, (2) a corporation that is formed or organized under the laws of the United States, any state thereof or the District of Columbia, or any entity that is taxable as a corporation so formed or organized, (3) an estate that is subject to U.S. federal income taxation regardless of its source, or (4) a trust that is subject to the jurisdiction of a U.S. court and for which one or more “United States persons” (as defined in the U.S. Internal Revenue Code) control all of the substantial decisions, or has otherwise made an appropriate election under the U.S. Treasury regulations. If you are an investor treated as a partnership for U.S. federal income tax purposes, FATCA withholding tax may apply to you and your beneficial owners based on your and your beneficial owners’ activities and status, and you should consult your own tax adviser regarding any FATCA withholding tax consideration arising from your investment in the BNP Paribas Basket US Stocks ELIs.

#### **WHERE CAN I FIND MORE INFORMATION ABOUT THE ISSUER, THE PRODUCT ARRANGER AND THE BNP PARIBAS BASKET US STOCKS ELIS?**

- The BNP Paribas Basket US Stocks ELIs are issued under our unlisted equity linked investment programme. The programme is described in our programme memorandum dated 18 January 2023. Please read the BNP Paribas Basket US Stocks ELI offering documents carefully before you decide whether to buy the BNP Paribas Basket US Stocks ELIs.
- We have not authorised anyone to give you any information about the BNP Paribas Basket US Stocks ELIs other than the information in the BNP Paribas Basket US Stocks ELI offering documents.
- You can find out more information on us and information on our financials, from the website *www.bnpparibas.com*. Information contained in the websites referred to in the BNP Paribas Basket US Stocks ELI offering documents does not form part of the BNP Paribas Basket US Stocks ELI offering documents.
- The BNP Paribas Basket US Stocks ELI offering documents are also available in a Chinese language version if you prefer.

#### **WHAT ARE THE ISSUER’S AND THE PRODUCT ARRANGER’S CONTINUING DISCLOSURE OBLIGATIONS?**

We (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (i) we (as the issuer) cease to meet any eligibility requirements applicable to issuers under the Code, (ii) we (as the product arranger) cease to meet any eligibility requirements applicable to product arrangers under the Code, or (iii) to the extent permitted by any applicable law, there are changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the issuer) to fulfil our commitment in connection with the BNP Paribas Basket US Stocks ELIs. You will have to rely on your distributor to in turn inform you. Please contact your distributor for further details.

#### **WHO TAKES RESPONSIBILITY FOR THE BNP PARIBAS BASKET US STOCKS ELI OFFERING DOCUMENTS?**

- The BNP Paribas Basket US Stocks ELI offering documents include particulars given in compliance with the Code for the purpose of giving information with regard to us (BNP Paribas, being the issuer and product arranger), the programme, and the BNP Paribas Basket US Stocks ELIs. We accept full responsibility for the contents of, and the completeness and the accuracy of the information contained in the BNP Paribas Basket US Stocks ELI offering documents. We confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue statement or misleading statement, or other facts the omission of which would make any statement therein untrue or misleading. We also confirm that the BNP Paribas Basket US Stocks ELIs comply with the Code.

- Our programme memorandum (taken together with the financial disclosure document and this product booklet) is accurate at the date of this product booklet. You must not assume, however, that information in the programme memorandum, the financial disclosure document or this product booklet is accurate at any time after the date of this product booklet. The relevant term sheet will tell you if an addendum to this product booklet, the financial disclosure document and/or the programme memorandum has been published.

#### **WHAT LAW GOVERNS THE BNP PARIBAS BASKET US STOCKS ELIS?**

Hong Kong law governs our BNP Paribas Basket US Stocks ELIs and our programme.

#### **WHERE CAN I READ COPIES OF THE DOCUMENTATION FOR THE BNP PARIBAS BASKET US STOCKS ELIS?**

During the offer period for the BNP Paribas Basket US Stocks ELIs or while any of the BNP Paribas Basket US Stocks ELIs remains outstanding, you can read copies of the following documents free of charge (which will be available in the English language only, unless stated otherwise) which set up our programme, including:

- (on or after the relevant issue date) the relevant final term sheet (in separate English and Chinese versions) which sets out the legally binding terms and conditions of the relevant series of BNP Paribas Basket US Stocks ELIs;
- the documents listed as documents that will be kept on display in our programme memorandum;
- this product booklet (in separate English and Chinese versions); and
- the relevant indicative term sheet and (on or before the second business day after the trade date) final term sheet in respect of the relevant series of BNP Paribas Basket US Stocks ELIs (in separate English and Chinese versions),

by going to our office at 60-63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Our office is open only during normal business hours and not on Saturdays, Sundays or public holidays. A reasonable fee will be charged if you want to take photocopies of any of the documents.

You can find out more about how the legal documentation works by reading our programme memorandum.

#### **ARE THE BNP PARIBAS BASKET US STOCKS ELI OFFERING DOCUMENTS A PROSPECTUS?**

The BNP Paribas Basket US Stocks ELI offering documents do not constitute a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong. None of these documents will be lodged or registered under the securities laws of any jurisdiction outside Hong Kong and these documents will not be registered with or approved by any regulatory authority outside Hong Kong. You should observe any applicable restrictions in the relevant jurisdiction in making an investment in the BNP Paribas Basket US Stocks ELIs.

## **APPENDIX A — FORM OF TERM SHEET FOR THE BNP PARIBAS BASKET US STOCKS ELIS**

We set out below the form of the term sheet for our BNP Paribas Basket US Stocks ELIs. Each term sheet covers one series of BNP Paribas Basket US Stocks ELIs only. We may issue more than one series of BNP Paribas Basket US Stocks ELIs on any issue date. You must read the indicative term sheet for the relevant series together with other offering documents before applying for a BNP Paribas Basket US Stocks ELI.

During the offer period for a series of BNP Paribas Basket US Stocks ELIs, you can obtain a copy of the indicative term sheet from the distributors. Certain details about the relevant series of our BNP Paribas Basket US Stocks ELIs may only be ascertained after each relevant US exchange closes on the trade date: for example, the initial spot price. These details will be completed in the final term sheet issued by us and sent to your distributor on or before the second business day after the trade date.

The binding legal terms for the relevant series of BNP Paribas Basket US Stocks ELIs are constituted by the terms and conditions of the BNP Paribas Basket US Stocks ELIs set out in this product booklet, as varied, amended or supplemented by the final term sheet.

## TERM SHEET FOR

**[currency] BNP Paribas Non-Capital Protected Unlisted Equity Linked Investments Linked to a Basket of US Stocks (with [Daily] [Periodic] Call and [Daily] [At-Expiry] [No] Knock-in) (“ELIs”) to be issued pursuant to the Unlisted Equity Linked Investment Programme (the “Programme”)**

**issued by  
BNP Paribas**

*(a public limited company (société anonyme) incorporated in France, the liability of its member is limited, primarily regulated by the Autorité de contrôle prudentiel et de résolution, and is a licensed bank regulated by the Hong Kong Monetary Authority and registered under the Securities and Futures Ordinance of Hong Kong for types 1, 4, 6 and 9 regulated activities)*

Series Number: [●]

Date: [●]

[[For indicative Term Sheet only:]]

### IMPORTANT RISK WARNINGS

- **Structured Investment Product**

The ELIs are NOT equivalent to time deposits and are NOT protected deposits for the purposes of the Deposit Protection Scheme. These are unlisted structured investment products embedded with derivatives.

- **Not Capital Protected**

The ELIs are not capital protected: **you could lose all of your investment.**

- **Limited Maximum Potential Gain**

The maximum potential gain on the ELIs is capped at the maximum potential cash distribution amount(s) payable during the scheduled tenor (i.e. the period from and including the issue date to and including the settlement date) of the ELIs (less any cash settlement expenses).

- **Potential Payout determined by the Worst Performing Stock**

The potential payout under the ELIs is determined by reference to the performance of the worst performing stock on each relevant scheduled trading day. The worst performing stock on each relevant scheduled trading day can be different. If any one of the reference stocks in the reference basket performs poorly against your expectation, you will not benefit from the good performance of any other reference stocks in the reference basket.

- **No Collateral**

The ELIs are not secured on any of our assets or any collateral.



- **Limited Market Making Arrangements**

The ELIs are designed to be held to their expiry date. Limited market making arrangements are available on a bi-weekly basis for the ELIs with an investment period (i.e. the period from and including the trade date to and including the expiry date) of more than six months. You may only place a limit sell back order during certain specified normal business hours in Hong Kong as specified in the relevant term sheet on a market making day, and your sell back order may only be executed during the trading hours of the relevant US exchange(s) in New York, which opens after the normal business hours in Hong Kong. Your placed sell back order will not be executed if (i) the relevant US exchange(s) fails to open for trading during its regular trading session on such day, (ii) the relevant ELIs are affected by market disruption event on such day, or (iii) the prevailing price of the relevant ELIs is below the limit order price of your placed sell back order throughout the trading hours of the relevant US exchange(s). In addition, we will not be able to accept any limit sell back order on a Hong Kong business day if (a) the relevant US exchange(s) in New York is not scheduled to be open for trading on such day, or (b) the ELIs are affected by market disruption events on the immediately preceding day on which the relevant US exchange(s) in New York is scheduled to be open for trading, or (c) we experience any technical issues on such date. We will also not be able to accept any limit sell back order on a day that is not a Hong Kong business day, notwithstanding that the relevant US exchange(s) in New York is scheduled to be open for trading on such day. **If you try to sell back to us your ELIs under the limited market making arrangements, you may receive an amount which is substantially less than your initial investment amount. There is no market making arrangement for the ELIs with an investment period of six months or less.**

- **Risks relating to Difference in Trading Days and Hours and the Implications on Our Ability to Execute any Limit Sell Back Order**

Trading in each reference stock on the relevant US exchange will be executed during the trading hours of the relevant US exchange as set out in the relevant term sheet, which is located in New York and opens after normal business hours in Hong Kong. You should be aware of the trading hour and time zone difference (including summer time and winter time) between Hong Kong and New York in assessing the trading prices of the reference stocks, and the extended time lag between the placement of a limit sell back order during the Hong Kong business hours and the execution of such order during the trading hours of the relevant US exchange(s) in New York. The trading price of each reference stock may be volatile in response to the market movement during the trading hours on the relevant US exchange in New York during which you will not be able to place any new order to sell back the ELIs or to cancel, unwind, withdraw or adjust your placed order pursuant to the market making arrangements. Your limit sell back order placed during the Hong Kong business hours will not be executed if the prevailing price of the ELIs is below your limit order price throughout the trading hours of the relevant US exchange(s). Once your order is executed (at the price which is at or above your limit order price but which may not be the best available price during the trading hours of the relevant US exchange(s)), you will lose the opportunity to benefit from any upside. Your sell back order is only valid during the trading hours of the relevant US exchange(s) on the market making day that you have placed such order.

- **Not the Same as Investment in the Reference Stocks**

Buying the ELIs is not the same as buying the reference stocks. You have no rights in the reference stocks during the investment period (except where the worst performing stock on the expiry date is determined to be deliverable to you on the settlement date, you will be entitled to the rights in such worst performing stock as from the expiry date). Changes in the market price of the reference stocks may not lead to any corresponding change in the market value of, and/or your potential payout under, the ELIs.

- **Re-investment Risk**

The ELIs contain an autocall condition. If the autocall condition is satisfied, the ELIs will be terminated before the expiry date and no further potential cash distribution amount will be payable following termination. You may not be able to enjoy the same rate of return if you re-invest the proceeds thereof in other investments with similar risk parameters.

- **Not Covered by Investor Compensation Fund**

The ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **Maximum Loss upon Our Default or Insolvency**

The ELIs constitute our general, unsecured and unsubordinated contractual obligations and of no other person. When you buy the ELIs, you will be relying on our creditworthiness. If we become insolvent or default on our obligations under the ELIs, in the worst case scenario, **you could lose all of your investment.**

- **Regulatory action(s) by the relevant resolution authorities in the event that we (as the Issuer) are failing or likely to fail could materially affect your rights under, and the market value of, and the potential payout under the ELIs**

We are a bank incorporated in France and is subject to the Bank Recovery and Resolution Directive (2014/59/EU), as amended (“**BRRD**”) and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms falling under the scope of BRRD. Under the relevant French regulation, the *Autorité de contrôle prudentiel et de résolution* (ACPR) and/or certain resolution authorities are conferred with substantial powers to enable them to take or exercise a wide range of actions or powers in respect of the relevant entities (including, such as, us) if the relevant resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied. These powers include powers to reduce, modify, cancel or convert, all, or a portion, of any amounts payable by us under the ELIs, into other securities of ours (or of another person), including by means of a variation to the contractual terms of the ELIs. The exercise of any resolution power under the BRRD by the relevant resolution authorities over us could materially adversely affect our creditworthiness and your rights under, and the market value of, and the potential payout under the ELIs. **You may therefore lose all or a substantial part of your investment in the ELIs.**

- **Consent to the Bail-In Power**

By investing in the ELIs, you acknowledge, accept, consent and agree to be contractually bound by the exercise of any Bail-In Power (as defined in the terms and conditions of the ELIs) by the relevant resolution authorities over the Issuer. If any Bail-In Power is exercised over the Issuer, you may lose all or a substantial part of your investment in the ELIs, or receive a different security issued by the Issuer (or another person) in place of the ELIs, which may be worth significantly less than the ELIs. Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to or requiring further consent from you.

- **Financial Institutions (Resolution) Ordinance**

As an authorised institution regulated by the Hong Kong Monetary Authority, we are subject to and bound by the Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (“**FIRO**”). The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of us may have a material adverse effect on the value or potential payout of the ELIs, and as a result, you may not be able to recover all or any amount due under the ELIs. **In the worst case scenario, you may get nothing back and you could lose all of your investment.**

- **No Direct Contractual Rights Against Us**

The ELIs are held either (i) through the clearing system or (ii) outside the clearing system through a distributor. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investors in the ELIs, you will have to rely on your distributor or its custodian(s) to take action on your behalf. **This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.**

- **English version of the terms and conditions may prevail**

If the ELIs are held through international securities clearing systems, the terms and conditions of the ELIs are issued in English only for the purposes of lodgement with the relevant clearing systems, and shall prevail over the Chinese version of the terms and conditions contained in the Chinese version of the Product Booklet in the event of inconsistency. If you do not understand the English version, you should obtain independent professional advice.

- **Enforcement of Judgments**

A large portion of our business, assets and operations are located outside Hong Kong. If you or your distributor or its custodian(s) (as the case may be) have obtained a judgment against us in a Hong Kong court upon a default of our obligations under the ELIs and our assets in Hong Kong are not sufficient to satisfy all the claims, you or your distributor or its custodian(s) (as the case may be) may have to enforce the Hong Kong judgment against our assets outside Hong Kong and may experience difficulties and delays in doing so or may not be able to enforce it at all. If you are in any doubt, you should seek independent legal advice regarding this. In the worst case scenario, **you could lose all of your investment.**

- **You Are Exposed to the Risks in respect of the ELIs from the Trade Date**

As you will be subject to the terms and conditions of the ELIs from the trade date, you will be exposed to the risks in respect of the ELIs from the trade date (including market risk and (if applicable) exchange rate risk).

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with the ELIs. Our economic interests in each role may be adverse to your interests in the ELIs.

- **Certain Information about the Reference Stocks May Only Be Available in English**

Certain information about the reference stocks may only be available in English on a real time basis. If you are not proficient in English, you should consider whether the investment in our ELIs is suitable to you, and obtain independent advice where necessary.

- **Reliance on our Designated Website in Providing Information about the Reference Stocks and our External Service Provider in Providing such Information**

We will make available news feeds regarding updated information of the reference stocks (in English and Chinese) via our designated website, the hyperlink of which will be provided in the relevant term sheet. Such news feeds are provided by our external data provider and may not be available on a real time basis. Further, their availability may be interrupted or suspended due to such external data provider's technical and systematic failures, in which case the availability of such news feeds may be delayed or suspended. In addition, you should note that the website may be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds.

- **Additional risks for RMB-denominated ELIs**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside the mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB and/or potential payout of the RMB-denominated ELIs.
- (ii) **Offshore RMB exchange rate and interest rate risks** — If the ELIs are denominated in RMB, we will use offshore RMB exchange rate in the calculations of the ELIs. You should note that the offshore RMB exchange rate we use for the ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the asset amount (and its value in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are government controlled. Further liberalisation of interest rates for onshore RMB may influence the interest rates for offshore RMB which may affect the market value of, and potential payout of the RMB-denominated ELIs.
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of the ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, any date on which any amount payable in RMB under the ELIs is scheduled to be paid, such payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

- **United States Taxation Risk**

Notwithstanding that we have determined that payments made under the ELIs do not constitute the “dividend equivalents” (as described below under “Dividend Equivalent Payments”) (and therefore do not constitute any U.S. source payments) and will not be subject to withholding tax under FATCA and Section 871(m) Rules (each term as defined in “FATCA Withholding Tax for Non-U.S. Investors” and “Dividend Equivalent Payments” on pages 141 to 143 of the Product Booklet), you should note that such rules are complex and their application may depend on your particular circumstances, including whether you enter into other transactions with respect to the underlying US stock. In addition, the U.S. Internal Revenue Service may successfully argue that the payments made under the ELIs are treated as “dividend equivalents”, notwithstanding our determination to the contrary. If so treated, a withholding tax at a rate of up to 30% is imposed on such payments made to a non-U.S. investor under the Section 871(m) Rules and to a non-U.S. investor that does not comply with the information reporting requirements under FATCA, which will adversely affect the potential return under the ELIs. You should, prior to your investment in the ELIs, consult your own tax adviser regarding the application of FATCA and Section 871(m) Rules arising from your investment.

**Commissions:**

We may pay a commission to the distributor(s). Distributor(s)’ commissions and other transaction costs including our cost of hedging are factored into the determination of the commercial terms (including the issue price) of the ELIs.

A Chinese version of this Term Sheet is also available from the distributor(s) and/or from the offices of BNP Paribas at 60-63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. 本條款表的中文版本可於分銷商及/或BNP Paribas之辦事處(地址為香港中環金融街8號國際金融中心二期60-63樓)索取。]

This [indicative] Term Sheet must be read in conjunction with

- the programme memorandum dated 18 January 2023 [together with the [addendum/addenda] dated [date]] ([together,] the “**Programme Memorandum**”),
- the financial disclosure document dated [date] [together with the [addendum/addenda] dated [date]] ([together,] the “**Financial Disclosure Document**”), and
- the product booklet for ELI dated 18 January 2023 [together with the [addendum/addenda] dated [date]] ([together,] the “**Product Booklet**”),

each issued by BNP Paribas (the “**Issuer**”). In this Term Sheet, capitalised terms have the meanings given in “Appendix B — Terms and Conditions of The BNP Paribas Basket US Stocks ELIs” in the Product Booklet unless this Term Sheet specifies otherwise.

[[*For indicative Term Sheet only:*] The distributor(s) has an obligation to distribute all of the above documents to you. You should read all of these documents before deciding whether to invest in our ELIs. If you are in any doubt about any of the contents of the documents, you should take independent professional advice. [Electronic copies of the Programme Memorandum, Financial Disclosure Document, Product Booklet (including any addendum to these documents as specified in this Term Sheet) and this Term Sheet are available [for download from our designated website(s) [insert website]] [and/or] [from the Distributor(s)] [by [email] [and] [insert other electronic means]].] [Hard copies of the Programme Memorandum, Financial Disclosure Document and Product Booklet (including any addendum to these documents as specified in this Term Sheet) [and] [this Term Sheet] are available from the distributor(s) as set out below.] [Should you have any enquiries concerning the ELIs, you may contact the Product Arranger at [(852) 2108 5087] during the normal business hours.]]

### [Indicative] Summary Terms

Issuer:	BNP Paribas
Product Arranger:	BNP Paribas
Offer Period:	[time] on [date] to [time] on [date] (may change without prior notice)
Investment Period:	The period from and including [trade date] to and including [expiry date]
Scheduled Tenor:	The period from and including [issue date] to and including [settlement date]

Initial Spot Price:	[In respect of each Reference Stock, see Table 1 below for the Initial Spot Price] [In respect of a Reference Stock, the Opening Price of the Reference Stock on the Trade Date.] [In respect of a Reference Stock, the Closing Price of the Reference Stock on the Trade Date.] [In respect of a Reference Stock, the prevailing market price of the Reference Stock as quoted on the relevant US Exchange at the time your purchase order for the BNP Paribas Basket US Stocks ELIs is executed on the Trade Date provided that such price has satisfied your pre-set criteria as follows. Your purchase order will only be executed if such prevailing market price for <i>[designated reference stock]</i> (the designated reference stock) on the Trade Date is at or lower than USD <i>[amount]</i> . If your purchase order is executed, the Initial Spot Price of each Reference Stock will be its prevailing market price at the time your purchase order is executed.]
[Issue Size:	<i>[currency]</i> <i>[amount]</i> , being <i>[number]</i> ELIs]
Issue Price:	<i>[[percentage]]%</i> of the Nominal Amount] [In respect of further issue of ELIs only: <i>[percentage]]%</i> of the Nominal Amount]
Trade Date:	<i>[date]</i>
Issue Date:	<i>[date]</i>
Expiry Date:	Expected to be <i>[date]</i> , or if such day is not a Scheduled Trading Day, the following Scheduled Trading Day, unless such day is a Disrupted Day (in which event such day will be postponed as provided in the Terms and Conditions)
Settlement Date:	The date that is no later than the <i>[second][third]</i> Business Day after the Expiry Date, which is expected to be on <i>[date]</i> .  (If physical settlement occurs and we are expected to deliver the Asset Amount to you on a date that is not a Clearance System Business Day, the Settlement Date shall be the following Clearance System Business Day, subject to the occurrence of a Settlement Disruption Event.)  For the avoidance of doubt, if the Calculation Agent is unable to obtain the Closing Price on the Expiry Date as a result of it being a Disrupted Day, the Expiry Date will be adjusted in respect of the affected Reference Stock as provided in the Terms and Conditions and the Settlement Date shall be the date that is no later than the <i>[second][third]</i> Business Day following the adjusted Expiry Date; provided that no interest shall be payable for any postponement of the Settlement Date in such circumstances.
Settlement Currency:	<i>[currency]</i>
Nominal Amount:	<i>[currency]</i> <i>[amount]</i> , representing one ELI



Reference Stocks:

A basket made up of the reference stocks (each a “**Reference Stock**”) as shown in the table below:

**Table 1**

Reference Stock	US Exchange Stock Code and Bloomberg Stock Code	Underlying Currency	US Exchange	Initial Spot Price	Exercise Price <sup>^</sup>	Autocall Price <sup>^</sup>	[Barrier Price <sup>^</sup>	[Knock-in Price <sup>^</sup>
[NAME]	US EXCHANGE STOCK CODE: [US EXCHANGE STOCK CODE] BLOOMBERG STOCK CODE: [BLOOMBERG STOCK CODE]	[USD]	[The New York Stock Exchange] [The NASDAQ Stock Market]	[[CURRENCY] [AMOUNT]] [See the row headed “Initial Spot Price” above]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]
[NAME]	US EXCHANGE STOCK CODE: [US EXCHANGE STOCK CODE] BLOOMBERG STOCK CODE: [BLOOMBERG STOCK CODE]	[USD]	[The New York Stock Exchange] [The NASDAQ Stock Market]	[[CURRENCY] [AMOUNT]] [See the row headed “Initial Spot Price” above]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]	[[CURRENCY] [AMOUNT]] ([NUMBER]% of the Initial Spot Price) [[NUMBER]% of the Initial Spot Price]

<sup>^</sup> Rounded to the nearest 4 decimal places, with 0.00005 or above being rounded upwards.

**Table 2**

Observation Period:	Observation Period Start Date (starts from and excluding) <sup>#</sup> :	Observation Period End Date (ends on and includes) <sup>##</sup> :	Cash Distribution Payment Date (currently expected to be) <sup>*</sup> :	Is the Potential Cash Distribution Amount a fixed or a variable amount?
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date]	[date]	[Fixed] [Variable]
[number]	[date]	[date] [Expiry Date]	[date] [Settlement Date]	[Fixed] [Variable]

# If the Observation Period Start Date is not a Scheduled Trading Day or is a Disrupted Day, such date shall not be subject to adjustment.

## If the Observation Period End Date is not a Scheduled Trading Day or is a Disrupted Day, the Observation Period End Date shall not be adjusted, except for:

- (i) the Observation Period End Date for the final Observation Period that falls on the Expiry Date, such day will be adjusted as provided in the Terms and Conditions; or
- (ii) the Observation Period End Date that falls on a Call Date where the Periodic Autocall Condition applies, such day will be adjusted as provided in the Terms and Conditions.

\* The date that is no later than the [second][third] Business Day after the relevant Observation Period End Date. For the avoidance of doubt, if the Observation Period End Date is also the Expiry Date, the relevant Cash Distribution Payment Date will be the Settlement Date (subject to any adjustment); or, if the Autocall Condition is satisfied and the ELI is terminated early, the relevant Cash Distribution Payment Date will be the Early Settlement Date (subject to any adjustment, see “Autocall Condition” below).

Fixed Cash Distribution Rate: [Not applicable] [[*percentage*]%]

Day-in Cash Distribution Rate: [Not applicable] [[*percentage*]%]

Day-out Cash Distribution Rate: [Not applicable] [[*percentage*]%]

Potential Cash Distribution Amount: **[(a)] [Fixed Potential Cash Distribution Amount**

Applicable for the [*n*th] Observation Period [to the [*n*th] Observation Period]

The Potential Cash Distribution Amount will be an amount in the Settlement Currency calculated in accordance with the following formula, rounded to the nearest 0.01, with 0.005 or above being rounded upwards:

Nominal Amount x Fixed Cash Distribution Rate

[If the Daily Autocall Condition is satisfied, the Fixed Potential Cash Distribution Amount for the relevant Observation Period will be calculated on a pro-rata basis up to (and including) the relevant Call Date in accordance with the following formula:

$$\text{Nominal Amount} \times \frac{\text{Fixed Cash Distribution Rate}}{1} \times \frac{n}{N}$$

where

“n” is the number of Scheduled Trading Days during the period from (and excluding) the Observation Period Start Date of the relevant Observation Period up to (and including) the relevant Call Date on which the Autocall Condition is satisfied.

“N” is the total number of Scheduled Trading Days in the relevant Observation Period.

If any Scheduled Trading Day is a Disrupted Day for any Reference Stock, such dates will be disregarded for the purposes of determining “n” and “N” as used in the calculation of the Fixed Potential Cash Distribution Amount provided that, for the purposes of determining “N” where the Autocall Condition is satisfied on a Call Date, each Scheduled Trading Day from (and excluding) such Call Date to (and including) the last day of the relevant Observation Period shall be deemed not to be a Disrupted Day.]

**[(b)] [Variable Potential Cash Distribution Amount**

Applicable for the [*n*th] Observation Period [to the [*n*th] Observation Period].

The Potential Cash Distribution Amount will be an amount in the Settlement Currency calculated in accordance with the following formula, rounded to the nearest 0.01, with 0.005 or above being rounded upwards:

$$(I) \text{ Nominal Amount} \times \frac{\text{Day-in Cash Distribution Rate}}{\text{Distribution Rate}} \times \frac{\text{Days In}}{\text{Total days}}$$

PLUS

$$(II) \text{ Nominal Amount} \times \frac{\text{Day-out Cash Distribution Rate}}{\text{Distribution Rate}} \times \frac{\text{Days Out}}{\text{Total days}}$$

If the Day-out Cash Distribution Rate is specified to be zero, the Potential Cash Distribution Amount for the relevant Observation Period will be equal to the amount calculated in accordance with Part (I) of the above formula only.]

[Days In:

The total number of Scheduled Trading Days during the relevant Observation Period on which the Closing Price of the Worst Performing Stock on such Scheduled Trading Day is at or above its Barrier Price, provided that if any such Scheduled Trading Day is a Disrupted Day in respect of any of the Reference Stock, such day shall be disregarded for the purpose of determining whether such day is a “Days In”.

If the ELIs are early terminated on a Call Date (see “Autocall Condition” below), the number of “Days In” for the relevant Observation Period will be calculated up to (and including) the Call Date on which the Autocall Condition is satisfied.]

[Total Days:

The total number of Scheduled Trading Days in the relevant Observation Period, notwithstanding the satisfaction of the Autocall Condition, provided that, for the purposes of determining “Total Days” in an Observation Period, if any Scheduled Trading Day is a Disrupted Day in respect of any of the Reference Stock, then such Scheduled Trading Day shall be disregarded; provided further that, for the purposes of determining “Total Days” where the Autocall Condition is satisfied on a Call Date, each Scheduled Trading Day from (and excluding) such Call Date to (and including) the last day of the relevant Observation Period shall be deemed not to be a Disrupted Day. “Total days” is zero if all Scheduled Trading Days in the relevant Observation Period are Disrupted Days. For the avoidance of doubt, if “Total Days” is zero, no Variable Potential Cash Distribution Amount will be payable for the relevant Observation Period.]

[Days Out: The total number of Scheduled Trading Days during the relevant Observation Period on which the Closing Price of the Worst Performing Stock on such Scheduled Trading Day is below its Barrier Price, provided that if any such Scheduled Trading Day is a Disrupted Day in respect of any of the Reference Stock, such day shall be disregarded for the purpose of determining whether such day is a “Days Out”.

If the ELIs are early terminated on a Call Date (see “Autocall Condition” below), the number of “Days Out” for the relevant Observation Period will be calculated up to (and including) the Call Date on which the Autocall Condition is satisfied.]

Autocall Condition: [Daily] [Periodic] Autocall Condition applies

If the Closing Price of the Worst Performing Stock on a Call Date is at or above its Autocall Price, the Autocall Condition is satisfied and the ELIs will be terminated early. In respect of such ELIs that have been terminated early, you will receive a cash amount in the Settlement Currency equal to the Nominal Amount, less any Cash Settlement Expenses (as more fully described in the Terms and Conditions) on the Early Settlement Date. In addition, you will also receive on the Early Settlement Date any accrued Potential Cash Distribution Amount for the relevant Observation Period calculated up to (and including) the Call Date on which the Autocall Condition is satisfied.

Call Date(s): [Each of the Observation Period End Date during the [nth] [to [nth]] Observation Period, or if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day]<sup>1</sup> [Each Scheduled Trading Day from (and including) [date] to (and including) [date] [the [nth] Observation Period End Date]]<sup>2</sup> (except the Expiry Date), provided that if any such day is a Disrupted Day, such day [will be adjusted in respect of the affected Reference Stock as provided in the Terms and Conditions.]<sup>1</sup> [shall be disregarded.]<sup>2</sup>

Early Settlement Date: The day that is no later than the [second][third] Business Day after the Call Date on which the Autocall Condition is satisfied and the ELIs have been terminated early.

[For the avoidance of doubt, where Periodic Autocall Condition is applicable, if the Calculation Agent is unable to obtain the Closing Price on a Call Date as a result of it being a Disrupted Day, that Call Date will be adjusted in respect of the affected Reference Stock as provided in the Terms and Conditions and the Early Settlement Date shall be the day that is no later than the [second][third] Business Day following the adjusted Call Date; provided that no interest shall be payable for any postponement of the Early Settlement Date in such circumstances.]<sup>1</sup>

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<sup>1</sup> Applicable if periodic autocall condition applies

<sup>2</sup> Applicable if daily autocall condition applies

Knock-in Event: [A Knock-in Event occurs if the Closing Price of the Worst Performing Stock on [any] [the] Knock-in Event Date is below its Knock-in Price.] [Not Applicable]

[[Daily] [At-Expiry] Knock-in Event applies]

Knock-in Event Date: [Not Applicable] [Each Scheduled Trading Day during the period from (and [excluding][including]) the [Issue] [Trade] Date to (and including) [the [nth] Observation Period End Date] [the Expiry Date]]<sup>3</sup> [The Expiry Date]<sup>4</sup>, provided that if [any]<sup>3</sup> such day is a Disrupted Day, such day [will be adjusted in respect of the affected Reference Stock as provided in the Terms and Conditions.]<sup>4</sup> [shall be disregarded.]<sup>3</sup>

Worst Performing Stock: In respect of a Scheduled Trading Day and the Reference Stocks, the Reference Stock which generates the lowest percentage calculated in accordance with the formula of Performance set out below.

If more than one Reference Stock has the same lowest Performance on a Scheduled Trading Day, the Issuer shall select, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, any one of such Reference Stock to be the Worst Performing Stock.

Performance: For the purpose of determining the Worst Performing Stock on any Scheduled Trading Day,

$$\text{Performance} = \frac{\text{Closing Price of the relevant Reference Stock on the relevant Scheduled Trading Day}}{\text{Initial Spot Price of the relevant Reference Stock}} \times 100\%$$

(rounded to the nearest 0.0001%, with 0.00005% or above being rounded upwards).

Settlement Amount: If the Autocall Condition is not satisfied and the ELIs are not otherwise early terminated in accordance with the Terms and Conditions, upon the expiry of the ELIs, the investor will receive on the Settlement Date the Settlement Amount determined by the Issuer as follows:

*[Where a Daily Knock-in Event is applicable]*

[(1) if:

- (i) a Daily Knock-in Event **has not occurred**; or
- (ii) a Daily Knock-in Event **has occurred** but the Closing Price of the Worst Performing Stock on the Expiry Date is **at or above** its Exercise Price,]

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<sup>3</sup> Applicable if daily Knock-in event applies

<sup>4</sup> Applicable if at-expiry Knock-in event applies

*[Where an At-Expiry Knock-in Event is applicable]*

[(1) if an At-Expiry Knock-in Event **has not occurred**,]

*[Where the Knock-in Event is not applicable]*

[(1) if the Closing Price of the Worst Performing Stock on the Expiry Date is **at or above** its Exercise Price,]

investors will receive on the Settlement Date a cash amount in the Settlement Currency equal to the Nominal Amount (less Cash Settlement Expenses, if any); or

*[Where a Daily Knock-in Event is applicable]*

[(2) if a Daily Knock-in Event **has occurred** and the Closing Price of the Worst Performing Stock on the Expiry Date is **below** its Exercise Price,]

*[Where an At-Expiry Knock-in Event is applicable]*

[(2) if an At-Expiry Knock-in Event **has occurred**,]

*[Where the Knock-in Event is not applicable]*

[(2) if the Closing Price of the Worst Performing Stock on the Expiry Date is **below** its Exercise Price,]

investors will receive on the Settlement Date a number of the Worst Performing Stock on the Expiry Date equal to the Asset Amount (after payment by the investor of all Physical Settlement Expenses) and a cash payment for any fractional stocks of such Worst Performing Stock (no Cash Settlement Expenses are payable for the cash payment of such fractional stocks).

In either case, investors will also receive on the Settlement Date any Potential Cash Distribution Amount for the final Observation Period.

**You should note that your Settlement Amount under the ELIs will be reduced by any distributor's charges and any Cash Settlement Expenses or Physical Settlement Expenses payable on settlement of the ELIs.**



Asset Amount: A number of the Worst Performing Stock on the Expiry Date calculated as follows (rounded down to the nearest whole number):

Nominal Amount

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Exercise Price of the Worst Performing Stock on the Expiry Date (converted into the Settlement Currency at the Exchange Rate if the Settlement Currency is not the same as the Underlying Currency of such Worst Performing Stock)

Any fractional stocks of such Worst Performing Stock (as rounded to nearest 0.0001, with 0.00005 or above being rounded upwards) will not be delivered to you as part of the Asset Amount and will be settled by payment of a cash amount in the Settlement Currency calculated based on the Closing Price of the Worst Performing Stock on the Expiry Date (converted into the Settlement Currency at the Exchange Rate if the Settlement Currency is not the same as the Underlying Currency). The cash amount for such fractional stocks will be rounded to the nearest 0.01, with 0.005 or above being rounded upwards. No Cash Settlement Expenses are payable for the cash payment of such fractional stocks.

Minimum Investment Amount: [currency] [amount]

Minimum Transfer Amount: one ELI

Related Exchange: Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent acting in good faith and a commercially reasonable manner) on the overall market for futures or options contracts relating to the Reference Stock.

Exchange Rate: [Applicable if the Underlying Currency of the Reference Stocks in the Reference Basket is not the same as the Settlement Currency]

[The mid-market exchange rate for Underlying Currency of the Worst Performing Stock on the Expiry Date per 1 Settlement Currency as per [Reuters] [Bloomberg] Page [insert page] (or if such page is not available, such other page as may replace that page on that service for the purpose of displaying comparable rates as determined by the Calculation Agent acting in good faith and a commercially reasonable manner) at the official close of trading on the relevant US Exchange on the Expiry Date which is currently expected to be [4.00 p.m.] (New York time) ([4.00 a.m.] Hong Kong time during summer time or [5.00 a.m.] Hong Kong time during winter time) for regular trading hours, subject to announcements made by the relevant US Exchange.]

[Applicable if the Underlying Currency of all the Reference Stocks in the Reference Basket is the same as the Settlement Currency] [Not Applicable]

Opening Price:	In respect of a Reference Stock, the opening price of such Reference Stock on the relevant US Exchange on such Scheduled Trading Day as quoted on the relevant US Exchange without regard to any subsequently published correction.
Closing Price:	In respect of a Reference Stock, the official closing price of such Reference Stock on the relevant US Exchange on such Scheduled Trading Day as quoted on the relevant US Exchange without regard to any subsequently published correction.
Cash Settlement Expenses:	All charges or expenses including any taxes and duties arising from termination of the ELIs, which are only applicable in respect of cash settlement. [Currently there are no such charges or expenses. If any Cash Settlement Expenses are payable in the future, we will inform the Distributor(s) as soon as practicable in advance and the Distributor(s) will in turn inform you.] Please ask the Distributor(s) for details.
Physical Settlement Expenses:	Physical settlement expenses are out-of-pocket expenses applicable to the transfer and receipt of the Asset Amount which are payable when the Asset Amount is delivered to you on the Settlement Date. [Currently there are no such charges or expenses.] You should contact the Distributor(s) for details.
Additional provisions relating to physical settlement:	The Issuer will procure delivery of the Asset Amount on the Settlement Date by way of electronic settlement through the relevant Clearance System.
Terms and Conditions:	See the section entitled “Terms and Conditions of The BNP Paribas Basket US Stocks ELIs” in Appendix B to the Product Booklet and the Final Term Sheet for this series of ELIs (together referred to as the “ <b>Terms and Conditions</b> ”).  When read together, the general terms and conditions in Appendix B to the Product Booklet and the specific terms in the relevant Final Term Sheet will constitute the full set of legal terms and conditions applicable to the relevant series of ELIs.
Business Day Centre(s):	[ <i>city(ies)</i> ] [ <i>settlement system(s)</i> ]
Calculation Agent:	BNP Paribas
[ISIN:	[ <i>number</i> ] [This will be available on or after the Issue Date]]
Form of ELI:	Registered ELIs
Clearing:	[The ELIs will be settled directly with the Issuer][Euroclear and/or Clearstream, Luxembourg]
Clearance System (for the delivery of the Reference Stock):	Depository Trust and Clearing Corporation
Listing:	Unlisted

Governing Law: Hong Kong

[[*For indicative Term Sheet only:*]]

Distributor(s): [*Distributor(s)' names and hotline numbers*]]

Post-sale Cooling-off Period: [Applicable. To exercise your right to cancel or unwind (as the case may be) your ELI purchase order during the post-sale cooling-off period, you will need to submit your instructions to your distributor between [*insert time*] and [*insert time*] on any Hong Kong business day during the post-sale cooling-off period.] [Not applicable]

Market making arrangements: [Applicable. On each market making day, BNP Paribas, as the market agent will, upon your request submitted via your distributor, make available (via the distributor(s)) indicative bid prices (on a per ELI basis) during normal business hours in Hong Kong. You must submit (via your distributor) to us your request for an indicative bid price and specify the amount of the ELIs that you intend to sell between 10.00 a.m. and 4.00 p.m. (Hong Kong time) on a market making day. If you decide to sell back the ELIs, you can place a limit sell back order (via your distributor) to us for your ELIs between 10.00 a.m. and 5.00 p.m. (Hong Kong time) on such market making day. We will seek to execute your limit sell back order during the trading hours of the relevant US Exchange(s) on such market making day. Your limit sell back order will not be executed if the prevailing price of the ELIs is below your limit order price throughout the trading hours of the relevant US Exchange(s) on such market making day, in which case your limit sell back order will lapse and you will need to place a new limit sell back order during the Hong Kong business hours on the next market making day if you still want to sell back the ELIs. BNP Paribas (as the market agent) will notify you (via your distributor) before 4.00 p.m. (Hong Kong time) on the business day after the relevant market making day of whether your sell back order was executed, and if so, the actual price at which your limit sell back order was executed.] [Not applicable]

Market making days: [Every other [*insert weekday*] after (and excluding) the Issue Date up to (and including) the third Hong Kong business day before the Expiry Date, or if (a) any such day is not a Hong Kong business day or a Scheduled Trading Day, or (b) the BNP Paribas Basket US Stocks ELIs are affected by Market Disruption Events on the Scheduled Trading Day immediately preceding such day, or (c) we experience any technical problems beyond our control affecting our ability to provide an indicative bid price, that market making day will be postponed to the next day which is both a Hong Kong business day and a Scheduled Trading Day and not affected by any of such events.] [Not applicable]

Market Agent: BNP Paribas

[[*For indicative Term Sheet only:*]]

## [Updated information]

[*INSERT DETAILS OF CHANGES*]]

## Cancellation of offer

We reserve the right to cancel the offering of this series of ELIs on or before the end of the Offer Period. Upon such cancellation, we will notify the Distributor(s) who will in turn notify you. Please contact the Distributor(s) for details on how and when your purchase monies will be refunded to you in such circumstances.

## Information relating to the Reference Stocks

All the Reference Stocks are listed on the relevant US Exchange(s). The regular trading hours for each relevant US Exchange is 9.30 a.m. to 4.00 p.m. (New York time) (i.e. 9.30 p.m. to 4.00 a.m. Hong Kong time during summer time or 10.30 p.m. to 5.00 a.m. Hong Kong time during winter time) on each Scheduled Trading Day. Where a transfer of a Reference Stock takes place on the relevant US Exchange, currently settlement must be made not later than two Clearance System Business Days after such transfer. The relevant company issuing each Reference Stock (“**Company**”) is required to continuously disclose information to the public by filing periodic reports and other materials with the United States Securities and Exchange Commission. You can find information about the Reference Stock and the Company including its published audited financial results and interim financial statements on the website operated by United States Securities and Exchange Commission: [<http://www.sec.gov/edgar.shtml>]. In addition, the relevant US Exchange(s) has established procedures (such as market wide circuit breakers and limit up-limit down) for trading halts in all or individual securities traded on the US Exchange(s) in the event of a severe market price decline. You can find the rules of the relevant US Exchange(s) regarding trading, settlement and disclosure requirements at [<http://nyse.com/regulation/rules>] [or] [<https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>].

The information on the Reference Stocks set out below is extracted from or based on the English version of the publicly available information including latest public filings, annual, semi-annual, and quarterly reports, filings, press releases, or stock exchanges, retrieved by BNP Paribas on a best effort basis.

Reference Stock/ Company: [*Name*]

Description of the Company: [*Description of the principal activities of the Company and its subsidiaries*]

Where information on the Reference Stock/ Company may be obtained: You may obtain information on the Company (including its published audited financial results and interim financial statements (if any)) by visiting the website operated by the United States Securities and Exchange Commission at [<https://www.sec.gov/edgar.shtml>].

We will also make available news feeds regarding updated information of the Company and the Reference Stock via our designated website at *[insert hyperlink]*. You will be able to access such news feeds on our designated website with the product identifier (ISIN), which will be provided to you in the relevant Final Term Sheet. Such news feeds are provided by our external data provider and their availability may be interrupted or suspended due to such external data provider's technical and systematic failures. In addition, the availability of our designated website may also be interrupted or suspended due to our technical and systematic failures, in which case you may not be able to have access to such news feeds. In the event of such interruption or suspension, we will use our best endeavours to work with our external data provider to ensure the availability of the relevant information are resumed as soon as possible.

Substantial interest in the shares issued by the Company as at the last Exchange Business Day prior to date of this Term Sheet:	<b>Name</b>	<b>Number of shares held</b>	<b>Percentage of total shares issued (%)</b>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>
	<i>[Name]</i>	<i>[Number]</i>	<i>[Number]</i>

The above table only extracts the information of the top ten substantial holders in the issued shares of the Company.

The highest and lowest closing prices on the US Exchange of the Reference Stock from the year it is listed or [year] (whichever the later) to [year] (up to the last Exchange Business Day prior to date of this Term Sheet):	<b>Year</b>	<b>Highest closing price</b>	<b>Lowest closing price</b>
	[Year]	[[Currency] [Amount]] [Not available]	[[Currency] [Amount]] [Not available]
	[Year]	[[Currency] [Amount]] [Not available]	[[Currency] [Amount]] [Not available]
	[Year]	[[Currency] [Amount]] [Not available]	[[Currency] [Amount]] [Not available]
	[Year]	[[Currency] [Amount]] [Not available]	[[Currency] [Amount]] [Not available]
	[Year] (up to the last Exchange Business Day prior to date of this Term Sheet)	[Currency] [Amount]	[Currency] [Amount]

You may obtain the historical stock price information of the Company on the website operated by the relevant US Exchange at [<http://www.nyse.com>] [<http://www.nasdaq.com>] by using the stock name as set out above.

Latest stock price of the Reference Stock: You may obtain the latest stock price information of the Company on the website operated by the relevant US Exchange at [<http://www.nyse.com>] [<http://www.nasdaq.com>] by using the stock name as set out above.

Official closing price per share on the last Exchange Business Day prior to date of this Term Sheet: [Currency] [Amount]

Market capitalization: [Currency] [Amount]

*Note:* Based on the number of shares in issue as of the last Exchange Business Day prior to date of this Term Sheet and the closing price of the Reference Stock on the last Exchange Business Day prior to date of this Term Sheet.

Historical price earning multiples (calculated by dividing the closing price per share on the last Exchange Business Day prior to date of this Term Sheet by the diluted earnings from continuing operations per share for the fiscal year [year]): [[Number] times] [Not Applicable]



Dividend yield (calculated by  $[[Number]\%$  [Not Applicable]  
dividing the sum of all cash  
dividends paid in the calendar  
year [year] per share by the  
closing price of the Reference  
Stock on the last Exchange  
Business Day prior to date of  
this Term Sheet):

Company's issued shares as at  $[Number]$   
the last Exchange Business  
Day prior to date of this Term  
Sheet:

*[Repeat the above table for each Reference Stock]*

### **Information relating to the Newly Listed Stock**

Where a Reference Stock is a newly listed stock (“**Newly Listed Stock**”) on the relevant US Exchange with a trading history of less than 60 days on which the US Exchange is scheduled to open for trading, the following applies. Prior to the listing of the Newly Listed Stock, there had been no public market for the Newly Listed Stock and an active public market for the Newly Listed Stock may not develop or be sustained in the future. You will not be able to analyse or compare the trading history of the Newly Listed Stock, particularly in relation to either the volatility or liquidity which may have an impact on the return on your investment.

Although the Newly Listed Stock is listed on the US Exchange, there is no guarantee that a trading market for the Newly Listed Stock will develop or, if a market does develop, the liquidity of that market. Also, the price and trading volume of the Newly Listed Stock may be highly volatile subject to the market sentiment, and may be more volatile than would generally be expected for a stock that has a longer trading history.

### **Offering documentation**

The offer of this series of ELIs is made solely on the basis of the information contained in the Programme Memorandum dated 18 January 2023 [together with the addendum dated *[date]*] (the “**Programme Memorandum**”), the Financial Disclosure Document dated *[date]* [together with the addendum dated *[date]*] (the “**Financial Disclosure Document**”), the Product Booklet dated 18 January 2023 [together with the addendum dated *[date]*] (the “**Product Booklet**”) and this indicative Term Sheet (together, the “**ELI offering documents**”). Accordingly, you should exercise an appropriate degree of caution when assessing the value of other sources of information relating to us, the ELIs or the Reference Stocks. If you are in any doubt about any of the ELI offering documents, you should obtain independent professional advice.

The information contained in the Programme Memorandum, the Financial Disclosure Document and the Product Booklet (taken together with, and as up-dated by, this Term Sheet) is accurate as at the date of this Term Sheet. The ELI offering documents for the ELIs include particulars given in compliance with the Code on Unlisted Structured Investment Products issued by the SFC (the “**Code**”) for the purpose of giving information with regard to BNP Paribas (being the Issuer and the Product Arranger of the ELIs), the Programme and the ELIs. The Issuer and the Product Arranger collectively and individually accept full responsibility for the contents of, and the completeness and accuracy of the information contained in the ELI offering documents and confirm, having made all reasonable enquiries, that to the best of our and their knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement therein untrue or misleading. The Issuer and the Product Arranger also confirm that the ELIs comply with the Code.

As at the date of this Term Sheet, the Issuer satisfied the applicable eligibility requirements of issuers and the Product Arranger satisfied the applicable eligibility requirements to product arrangers under the Code.

### **Websites**

Information included on the websites referred to in this Term Sheet does not form part of the ELI offering documents. We do not accept any responsibility for information on third parties' websites.

### **Material adverse change**

[Save as disclosed in the ELI offering documents, there] [There] has been no material adverse change in our financial or trading position since the date of our latest financial statements contained in the Programme Memorandum.

### **Material litigation**

[Save as disclosed in the ELI offering documents, there] [There] are no litigation or arbitration proceedings against or affecting us, nor are we aware of any claims pending or, to our knowledge, threatened against us, which are material in the context of the issue of the ELIs.

### **Others**

The ELIs are complex products. You should exercise caution in relation to the ELIs. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions based upon your own judgement and advice from those advisers you consider necessary.

This Term Sheet should not be treated as giving any investment advice. The information in this Term Sheet is communicated by us. We make no representation or warranty relating to any information herein which is derived from independent sources. This Term Sheet shall not be copied or reproduced without our prior written permission.

The Securities and Futures Commission (the "SFC") has authorised the ELIs under Section 104A(1) of the Securities and Futures Ordinance (SFO) (Cap. 571, Laws of Hong Kong) and the issue of this indicative Term Sheet based on the standard format as set out in Appendix A to the Product Booklet under Section 105(1) of the SFO. **The SFC takes no responsibility for the ELIs or the contents of this indicative Term Sheet, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this indicative Term Sheet. The SFC's authorisation does not imply the SFC's endorsement or recommendation of the ELIs referred to in this indicative Term Sheet, nor does it imply that the SFC guarantees the commercial merits of the ELIs or their performance. The SFC's authorisation does not mean the ELIs are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. Interested persons should consider obtaining independent professional advice before investing in the ELIs. The Issuer and the Product Arranger collectively and individually take responsibility as to the issue and contents of this indicative Term Sheet.]**

[[*Insert this section for final Term Sheet:*] The Securities and Futures Commission (the "SFC") takes no responsibility as to the contents of this document, the standard format of which is set out in Appendix A to the Product Booklet. The SFC's authorisation does not imply the SFC's endorsement or recommendation of the ELIs, nor does it imply that the SFC guarantees the commercial merits of the ELIs or their performance.]

## APPENDIX B — TERMS AND CONDITIONS OF THE BNP PARIBAS BASKET US STOCKS ELIS

*The SFC takes no responsibility as to the contents of the terms and conditions as set out in this Appendix B (the “Conditions”). The SFC’s authorisation of this product booklet does not imply the SFC’s endorsement of the Conditions.*

*The relevant Conditions will, together with the supplemental provisions contained in the applicable Term Sheet and subject to completion and amendment, be incorporated by reference into each Global Certificate (as defined below) and definitive certificate (if applicable). The applicable Term Sheet in relation to the issue of any series of ELIs may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, amend, supplement, replace or modify the relevant Conditions for the purpose of such series of ELIs. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the applicable Term Sheet.*

*The ELI (in global and, in certain limited circumstances set out below, in definitive form) and related terms and conditions will be issued in the English language, which shall prevail over any Chinese language version in the event of discrepancy.*

### 1. Form, Status and Title

- (a) *Form.* Each series of the Non-Capital Protected Unlisted BNP Paribas Equity Linked Investments Linked to a Basket of US Stocks (“**ELIs**”) (which expression shall, unless the context otherwise requires, include any further ELIs issued pursuant to Condition 11) relating to a basket comprising the Reference Stocks, is issued in registered form subject to and with the benefit of a global certificate (the “**Global Certificate**”) by way of deed poll made by BNP Paribas (the “**Issuer**”). The ELI holders (as defined below) are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated 3 January 2019 made by the Issuer, under the terms of which either: (i) accountholders in Euroclear Bank S.A./N.V., as operator of the Euroclear system (“**Euroclear**”) and/or Clearstream Banking société anonyme (“**Clearstream, Luxembourg**”) if Euroclear and/or Clearstream, Luxembourg, is specified as the applicable clearing system; or (ii) the accountholders with the Issuer if it is specified that the ELIs will be held through an account directly with the Issuer, are given directly enforceable rights against the Issuer under the ELIs. The original of the Deed of Covenant is held by BNP Paribas as agent and registrar (in such capacity, the “**Agent**” and “**Registrar**” respectively, which expression shall include any successors).

ELIs in definitive form will only be issued in exchange for the Global Certificate: (i) in the case of ELIs for which Euroclear and/or Clearstream, Luxembourg are specified as the applicable clearing system, if both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announce an intention permanently to cease business and do so cease business and no alternative clearing system satisfactory to the Issuer, the Registrar and the Agent is available; or (ii) in the case of ELIs held through an account with the Issuer, the Issuer is declared insolvent, or announces its intention to cease business and no alternative clearing system satisfactory to the Issuer, the Registrar and the Agent is available. In the event of any such exchange, references in these Conditions to the Global Certificate shall be deemed to be, as appropriate, references to such definitive certificates. The Global Certificate has been registered in the name of a nominee (the “**Nominee**”) either common to Euroclear and/or Clearstream, Luxembourg or as appointed by the Issuer.

The applicable Term Sheet for the ELIs is attached to the Global Certificate and supplements these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, vary, amend or supplement these Conditions for the purposes of the ELIs. References herein to the “applicable Term Sheet” are to the final Term Sheet attached to the Global Certificate.

Copies of the applicable Term Sheet and the Deed of Covenant are available for inspection at the specified office of the Agent during the period beginning on the Issue Date and ending on the Settlement Date.

The ELI holders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Global Certificate, the applicable Term Sheet and the Deed of Covenant.

- (b) *Status.* The ELIs represent general, unsecured and unsubordinated contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer.
- (c) *Transfer of ELIs.* The ELIs will be transferable only by means of delivery of the relevant Global Certificate to the Registrar in accordance with the provisions of the Deed of Covenant. Transfers of beneficial interests in the ELIs will be effected only in an amount equal to the Minimum Transfer Amount or integral multiples thereof in accordance with the rules and procedures for the time being of either Euroclear and/or Clearstream, Luxembourg (if Euroclear and/or Clearstream, Luxembourg, are specified as the applicable clearing system) or the Issuer (if the ELIs are held through an account with the Issuer), as the case may be.
- (d) *Title.* Each person who is for the time being shown in the register (the “**Register**”) kept by the Registrar as entitled to a particular number of ELIs shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of ELIs. The expression “**ELI holder**” shall be construed accordingly.
- (e) *Agreement and acknowledgement with respect to the exercise of the Bail-In Power.* Notwithstanding any other term of the ELIs or any other agreements, arrangements, or understandings between the Issuer and any ELI holder, by its acquisition of the ELIs, each ELI holder (which, for the purposes of this Condition, includes each holder of a beneficial interest in the ELIs) acknowledges, accepts, consents and agrees to be bound by:
  - (i) the effect of the exercise of the Bail-In Power by the relevant resolution authority, that may include and result in any of the following, or some combination thereof:
    - (1) the reduction of all, or a portion, of any amounts payable by the Issuer under the ELIs;
    - (2) the conversion of all, or a portion, of any amounts payable by the Issuer under the ELIs into shares, or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the ELI holder of such shares, securities or obligations), including by means of amendment, modification or variation of the terms of the ELIs, in which case the ELI holder agrees to accept in lieu of its rights under the ELIs any such shares, other securities or other obligations of the Issuer or another person;
    - (3) the cancellation of the ELIs; and/or
    - (4) the amendment or alteration of the maturity of the ELIs or amendment of the amount payable under the ELIs, or the date on which the amount becomes payable, including by suspending payment for a temporary period; and

- (ii) the variation of the terms of the ELIs, if necessary, to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

No amounts payable by the Issuer under the ELIs shall become due and payable or be paid after the exercise of any Bail-In Power by the relevant resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of any amounts payable by the Issuer under the ELIs, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-In Power by the relevant resolution authority with respect to the Issuer, nor the exercise of the Bail-In Power by the relevant resolution authority with respect to the ELIs will be an event of default.

Upon the exercise of the Bail-In Power by the relevant resolution authority with respect to the ELIs, the Issuer will provide a written notice to the ELI holder as soon as practicable regarding such exercise of the Bail-In Power pursuant to Condition 10.

For the purposes of this Condition:

“**Bail-In Power**” means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in France, relating to (i) the transposition of the Bank Recovery and Resolution Directive (2014/59/EU) establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the “**BRRD**”), including without limitation by Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d’adaptation de la législation au droit de l’Union européenne en matière financière*), as amended from time to time, (ii) the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, including by Regulation (EU) 2019/877 dated 20 May 2019, the “**SRM**”), or (iii) otherwise arising under French law, and the instructions, rules and standards created thereunder, pursuant to which, in particular, the obligations of the Guarantor can be reduced (in part or in whole), cancelled, suspended, transferred, varied, modified in any way or converted into shares, other securities, or other obligations of such regulated entity or any other person.

A reference to the “**relevant resolution authority**” is to the *Autorité de contrôle prudentiel et de résolution (ACPR)*, the Single Resolution Board established pursuant to the SRM and/or any other authority entitled to exercise or participate in the exercise of any Bail-In Power against the Guarantor from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the SRM).

## 2. ELI Rights and Exercise Expenses

- (a) *ELI Rights*. Each ELI represents a Nominal Amount as specified in the applicable Term Sheet and gives each ELI holder, upon due exercise and compliance with Conditions 3 and 4, the right to receive the Early Settlement Amount or, as the case may be, the Settlement Amount (each as defined below), if any.

(b) *Exercise Expenses.*

In the case where (i) the Early Settlement Amount is payable to an ELI holder pursuant to satisfaction of the Autocall Condition; or (ii) the Settlement Amount is a cash amount, the following provisions will apply:

Each ELI holder entitled to payment of the Early Settlement Amount or the Settlement Amount in cash will be required to pay all charges or expenses including any taxes or duties which are incurred upon termination of the ELIs (“**Cash Settlement Expenses**”). The payment of such Cash Settlement Expenses is reflected in the calculation of the Early Settlement Amount or Settlement Amount (as the case may be).

In the case where the Settlement Amount is the Asset Amount, the following provisions will apply:

Each ELI holder entitled to delivery of the Asset Amount will be required to pay all charges which they incur in respect of the transfer and receipt of the Asset Amount delivered to them, including without limitation any buyer’s stamp duty (if applicable, subject to the prevailing laws and regulations), levies and registration charges and other costs and expenses payable on or in respect of or in connection with the receipt of or agreement to receive the Asset Amount (the above charges and expenses incurred by ELI holders and the above expenses are together referred to as the “**Physical Settlement Expenses**”).

An amount equivalent to the Physical Settlement Expenses must be paid by the ELI holder in accordance with Condition 4.

(c) *Definitions. For the purposes of these Conditions:*

“**Asset Amount**” means in respect of each ELI, an integral number of the number of the Worst Performing Stock on the Expiry Date determined in accordance with the following formula by rounding down to the nearest whole number:

$$\frac{\text{Nominal Amount}}{\text{Exercise Price of the Worst Performing Stock on the Expiry Date (converted into the Settlement Currency at the Exchange Rate if the Settlement Currency is not the same as the Underlying Currency of such Worst Performing Stock)}}$$

Provided that, if in respect of each ELI, any fractional stocks of such Worst Performing Stock, (as rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) resulting from the calculation of the Asset Amount above, Condition 6(e) shall apply;

An “**At-Expiry Knock-in Event**” occurs if, on the Knock-in Event Date, the Closing Price of the Worst Performing Stock in respect of such day is below its Knock-in Price. The applicable Term Sheet will specify whether an At-Expiry Knock-in Event is applicable. If the Knock-in Event Date is a Disrupted Day in respect of a Reference Stock, the Knock-in Event Date for each Reference Stock not affected by the occurrence of the Disrupted Day shall be the originally scheduled Knock-in Event Date and the Closing Price of each unaffected Reference Stock shall be determined on that day, and the Knock-in Event Date for each Reference Stock affected by the occurrence of the Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Reference Stock, unless each of the eight Scheduled Trading Days immediately following the



originally scheduled Knock-in Event Date is a Disrupted Day relating to the affected Reference Stock. In that case, that eighth Scheduled Trading Day shall be deemed to be the Knock-in Event Date for the affected Reference Stock, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine (based on, among other things, the last reported market price of the affected Reference Stock and prevailing market conditions) the fair price of the affected Reference Stock on the Knock-in Event Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be deemed to be the Closing Price of that Reference Stock on that eighth Scheduled Trading Day;

“**Autocall Condition**” is satisfied on a Call Date if the Closing Price of the Worst Performing Stock on such Call Date is at or above its Autocall Price;

“**Autocall Price**” means, subject to adjustments in accordance with Condition 6, in respect of a Reference Stock, a specified percentage of the Initial Spot Price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) of such Reference Stock as set out in the applicable Term Sheet;

“**Barrier Price**” means, subject to adjustments in accordance with Condition 6, in respect of a Reference Stock, a specified percentage of the Initial Spot Price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) of such Reference Stock as set out in the applicable Term Sheet;

“**Business Day**” means a day (excluding Saturdays, Sundays and public holidays) on which commercial banks and foreign exchange markets are open for business in the relevant Business Day Centre(s);

“**Business Day Centre(s)**” means such cities or settlement systems as specified in the applicable Term Sheet;

“**Call Date**” means (i) where Daily Autocall Condition is specified as applicable in the applicable Term Sheet, each date specified in the applicable Term Sheet, provided that a Call Date shall be disregarded if such Call Date falls on a Disrupted Day in respect of any Reference Stock comprising the Reference Basket; or (ii) where Periodic Autocall Condition is specified as applicable in the applicable Term Sheet, each date specified in the applicable Term Sheet or, if any such date is not a Scheduled Trading Day, the following Scheduled Trading Day. Provided that if any such Scheduled Trading Day is a Disrupted Day in respect of a Reference Stock, such Call Date for each Reference Stock not affected by the occurrence of a Disrupted Day shall be the originally scheduled Call Date and the Closing Price of each unaffected Reference Stock shall be determined on that day, and such Call Date for each Reference Stock affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Reference Stock, unless each of the eight Scheduled Trading Days immediately following the originally scheduled Call Date is a Disrupted Day relating to the affected Reference Stock. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be such Call Date for the affected Reference Stock, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall determine (based on, among other things, the last reported market price of the affected Reference Stock and prevailing market conditions) the fair price of the affected Reference Stock on that eighth Scheduled Trading Day in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be deemed to be the Closing Price of that Reference Stock on that eighth Scheduled Trading Day;

“**Cash Distribution Payment Date**” shall have the meaning given to it in the applicable Term Sheet;

“**Clearance System**” means, in relation to a series of ELIs, the clearance system as specified in the applicable Term Sheet or any domestic clearance system through which transfers of the Reference Stocks, are customarily settled as approved by the Issuer, or any successor to such clearance system;

“**Clearance System Business Day**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“**Closing Price**” means, in respect of a Reference Stock and a Scheduled Trading Day, the official closing price of such Reference Stock on such day as quoted on the relevant US Exchange without regard to any subsequently published correction;

“**Company**” means, in respect of a Reference Stock, the company issuing the Reference Stock as specified in the applicable Term Sheet;

“**Day-in Cash Distribution Rate**” means such rate as specified in the applicable Term Sheet;

“**Day-out Cash Distribution Rate**” means such rate as specified in the applicable Term Sheet;

“**Days In**” means the total number of Scheduled Trading Days during the relevant Observation Period (or, if the Autocall Condition is satisfied, the period from (but excluding) the relevant Observation Period Start Date to (and including) the relevant Call Date on which the Autocall Condition is satisfied) on which the Closing Price of the Worst Performing Stock (determined on each Scheduled Trading Day) is at or above its Barrier Price provided that, for the purposes of determining whether a Scheduled Trading Day is a “Days In” during an Observation Period, if any such Scheduled Trading Day is a Disrupted Day in respect of any Reference Stock comprising the Reference Basket, such Scheduled Trading Day shall be disregarded for the purpose of determining “Days In”;

“**Days Out**” means the total number of Scheduled Trading Days during the relevant Observation Period (or, if the Autocall Condition is satisfied, the period from (but excluding) the relevant Observation Period Start Date to (and including) the relevant Call Date on which the Autocall Condition is satisfied) on which the Closing Price of the Worst Performing Stock (determined on each Scheduled Trading Day) is below its Barrier Price provided that, for the purposes of determining whether a Scheduled Trading Day is a “Days Out” during an Observation Period, if any such Scheduled Trading Day is a Disrupted Day in respect of any Reference Stock comprising the Reference Basket, such Scheduled Trading Day shall be disregarded for the purpose of determining “Day Out”;

A “**Daily Knock-in Event**” occurs if the Closing Price of the Worst Performing Stock on a Knock-in Event Date is below its Knock-in Price. The applicable Term Sheet will specify whether a Daily Knock-in Event is applicable. For the purpose of determining whether a Daily Knock-in Event has occurred, if any Knock-in Event Date is a Disrupted Day in respect of any Reference Stock comprising the Reference Basket, such Scheduled Trading Day shall be disregarded for the purpose of determining whether a Daily Knock-in Event has occurred;

“**Disrupted Day**” means, in respect of a Reference Stock, a Scheduled Trading Day on which the relevant US Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**“Early Settlement Amount”** means in respect of each ELI and a Call Date (where the ELIs have been terminated on a Call Date pursuant to satisfaction of the Autocall Condition), an amount in the Settlement Currency (subject to the provisions of Condition 4(d)(ii) if the Settlement Currency is RMB) equal to the Nominal Amount, less Cash Settlement Expenses;

**“Early Settlement Date”** means the date an ELI holder will receive the Early Settlement Amount pursuant to satisfaction of the Autocall Condition, as specified or otherwise determined as provided in the applicable Term Sheet;

**“Exchange Business Day”** means, in respect of a Reference Stock, any Scheduled Trading Day on which the relevant US Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such US Exchange or Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Rate”** means such rate as specified in the applicable Term Sheet;

**“Exercise Price”** means, subject to adjustments in accordance with Condition 6, in respect of a Reference Stock, a specified percentage of the Initial Spot Price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) of such Reference Stock as set out in the applicable Term Sheet;

**“Expiry Date”** means the date specified in the applicable Term Sheet, or if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day. Provided that, if such day is a Disrupted Day in respect of any Reference Stock, the Expiry Date for each Reference Stock not affected by the occurrence of a Disrupted Day shall be the originally scheduled Expiry Date and the Closing Price of each unaffected Reference Stock shall be determined on that day, and the Expiry Date for each Reference Stock affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Reference Stock, unless each of the eight Scheduled Trading Days immediately following the originally scheduled Expiry Date is a Disrupted Day relating to the affected Reference Stock. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be the Expiry Date for the affected Reference Stock, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall determine (based on, among other things, the last reported price of the affected Reference Stock and prevailing market conditions) the fair price of the affected Reference Stock on the Expiry Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be deemed to be the Closing Price of that Reference Stock on that eighth Scheduled Trading Day;

**“Fixed Cash Distribution Rate”** means such rate as specified in the applicable Term Sheet;

**“HKD”** means Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC (**“Hong Kong”**);

**“HKD Equivalent Amount”** means, following the occurrence of an RMB Disruption Event and in respect of an amount payable in RMB on the relevant affected date of payment, an amount in HKD determined by the Calculation Agent acting in good faith and a commercially reasonable manner, by converting such amount payable in RMB into HKD based on the mid-market exchange rate for RMB traded outside the PRC of HKD per 1 RMB as per Bloomberg Page “CNHHKD Curncy” as of 4:00 p.m. (Hong Kong time) on the twelfth Business Day from the original payment date, provided that if such rate is not available to trade or if such rate is determined by the Calculation Agent as unreliable, the Calculation Agent shall determine such exchange rate in its sole and absolute discretion acting in good faith and a commercially reasonable manner;

**“Initial Spot Price”** means, subject to adjustments in accordance with Condition 6, in respect of a Reference Stock, such price as specified in the applicable Term Sheet;

**“Issue Date”** means such date as specified in the applicable Term Sheet or, if not a Business Day, the following Business Day;

**“Knock-in Event”** means a Daily Knock-in Event or an At-Expiry Knock-in Event as specified in the applicable Term Sheet;

**“Knock-in Event Date”** means, (1) where a Daily Knock-in Event is specified as applicable in the applicable Term Sheet, each Scheduled Trading Day during the period as specified in the applicable Term Sheet, or (2) where an At-Expiry Knock-in Event is specified as applicable in the applicable Term Sheet, the Expiry Date;

**“Knock-in Price”** means, subject to adjustments in accordance with Condition 6, in respect of a Reference Stock, a specified percentage of the Initial Spot Price (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) of such Reference Stock as set out in the applicable Term Sheet;

**“Market Disruption Event”** means, in respect of each Reference Stocks comprising the Reference Basket:

- (1) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (a) any suspension of or limitation imposed on trading by the relevant US Exchange or any relevant Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by such US Exchange or such Related Exchange or otherwise:
    - (i) relating to the Reference Stock on the relevant US Exchange; or
    - (ii) in futures or options contracts relating to the Reference Stock on any relevant Related Exchange; or
  - (b) any event (other than an event described in (2) below) that disrupts or impairs (as determined by the Calculation Agent in good faith and a commercially reasonable manner) the ability of market participants in general (i) to effect transactions in, or obtain market prices for, the Reference Stock on the relevant US Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Stock on any relevant Related Exchange,  
  
which in either case the Calculation Agent determines in good faith and a commercially reasonable manner to be material; or
- (2) the closure on any Scheduled Trading Day of the relevant US Exchange or any relevant Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such US Exchange or such Related Exchange, as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such US Exchange or such Related Exchange on such Scheduled Trading Day and (b) the submission deadline for orders to be entered into the relevant US Exchange or Related Exchange system for execution at the Valuation Time on such Scheduled Trading Day;

**“Minimum Transfer Amount”** means such number of ELI(s) as set out in the applicable Term Sheet;

**“Nominal Amount”** means such nominal amount for each ELI as specified in the applicable Term Sheet;

“**Observation Period**” means each successive period from (but excluding) a scheduled Observation Period Start Date to (and including) the next succeeding scheduled Observation Period End Date;

“**Observation Period End Date**” in respect of an Observation Period means each such date as set out in the applicable Term Sheet. For the avoidance of doubt, the Observation Period End Dates shall not be subject to adjustment if any such date is not a Scheduled Trading Day or falls on a Disrupted Day, except for:

- (i) the Observation Period End Date for the final Observation Period specified in the applicable Term Sheet as falling on the Expiry Date, such Observation Period End Date shall be postponed in the same manner as the Expiry Date; or
- (ii) the Observation Period End Date specified in the applicable Term Sheet as falling on a Call Date where Periodic Autocall Condition applies, such Observation Period End Date shall be postponed in the same manner as the relevant Call Date;

“**Observation Period Start Date**” in respect of an Observation Period means each such date as set out in the applicable Term Sheet. For the avoidance of doubt, the Observation Period Start Dates shall not be subject to adjustment if any such date is not a Scheduled Trading Day or falls on a Disrupted Day;

“**Opening Price**” means, in respect of a Reference Stock and a Scheduled Trading Day, the opening price of such Reference Stock as at the Opening Time on such day as quoted on the relevant US Exchange without regard to any subsequently published correction;

“**Opening Time**” means, in respect of an US Exchange or Related Exchange and a Scheduled Trading Day, the Scheduled Opening Time of such US Exchange or Related Exchange on that Scheduled Trading Day, or if such US Exchange or Related Exchange opens prior to or after its Scheduled Opening Time, the actual opening time for its regular trading session;

“**PRC**” means the People’s Republic of China;

“**Reference Basket**” means the basket comprising the Reference Stocks to which the ELIs are linked, as specified in the applicable Term Sheet;

“**Reference Stock**” means, subject to adjustment in accordance with Condition 6, the shares of a Company specified as such in the applicable Term Sheet and related expressions shall be construed accordingly;

“**Related Exchange**” means, in respect of a Reference Stock, each exchange or quotation system specified as such in relation to such Reference Stock in the applicable Term Sheet, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Reference Stock has temporarily relocated (provided that the Calculation Agent has determined in its sole and absolute discretion (acting in good faith and a commercially reasonable manner) that there is comparable liquidity relative to the futures or options contracts relating to such Reference Stock on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “**All Exchanges**” is specified as the Related Exchange in the applicable Term Sheet, “**Related Exchange**” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent in good faith and a commercially reasonable manner) on the overall market for futures or options contracts relating to the Reference Stock;

“**RMB**” means Renminbi, the lawful currency of the PRC;

“**RMB Disruption Event**” means the occurrence of any event that, in the determination of the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner, makes it impossible:

- (i) for the Issuer to obtain a firm quote of a price in respect of any amount due and payable in RMB under the ELIs on the relevant scheduled date of payment in the RMB exchange market in Hong Kong in order to perform its obligations under the ELIs;
- (ii) for the Issuer to convert any amount due and payable in RMB under the ELIs in the RMB exchange market in Hong Kong; or
- (iii) for the Issuer to transfer RMB between accounts inside Hong Kong,

in the case of sub-paragraphs (ii) and (iii) above, other than where such impossibility is due to the failure of the Issuer to comply with any law, rule or regulation enacted by any government authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

For the avoidance of doubt, the following events shall not constitute an RMB Disruption Event:

- (A) in the case of sub-paragraph (i) above, the inability for the Issuer to obtain such firm quote due to issues relating to its creditworthiness; and
- (B) in the case of sub-paragraph (ii) above, the inability for the Issuer to convert RMB for any amount due and payable in RMB under the ELIs due to issues relating to its creditworthiness;

“**Scheduled Closing Time**” means, in respect of an US Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such US Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

“**Scheduled Opening Time**” means, in respect of an US Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday opening time of such US Exchange or Related Exchange on such Scheduled Trading Day, without regard to any pre-opening hours or any other trading outside of the regular trading session hours;

“**Scheduled Trading Day**” means any day on which each relevant US Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

“**Settlement Amount**” means, in respect of each ELI and the Expiry Date (where the ELIs have not been terminated on a Call Date pursuant to satisfaction of the Autocall Condition), the following:

- (A) **Where a Knock-in Event is not applicable (as specified in the applicable Term Sheet)**
  - (i) if the Closing Price of the Worst Performing Stock on the Expiry Date is **at or above** its Exercise Price, a cash amount in the Settlement Currency (subject to the provisions of Condition 4(d)(ii) if the Settlement Currency is RMB) equal to the Nominal Amount, less any Cash Settlement Expenses; or
  - (ii) if the Closing Price of the Worst Performing Stock on the Expiry Date is **below** its Exercise Price, a number of the Worst Performing Stock on the Expiry Date equal to the Asset Amount (subject to the provisions of Conditions 4(e) and 6(e));



**(B) Where a Daily Knock-in Event is applicable (as specified in the applicable Term Sheet)**

- (i) if a Daily Knock-in Event **has not occurred**; or a Daily Knock-in Event **has occurred** but the Closing Price of the Worst Performing Stock on the Expiry Date is **at or above** its Exercise Price, a cash amount in the Settlement Currency (subject to the provisions of Condition 4(d)(ii) if the Settlement Currency is RMB) equal to the Nominal Amount, less any Cash Settlement Expenses; or
- (ii) if a Daily Knock-in Event **has occurred** and the Closing Price of the Worst Performing Stock on the Expiry Date is **below** its Exercise Price, a number of the Worst Performing Stock on the Expiry Date equal to the Asset Amount (subject to the provisions of Conditions 4(e) and 6(e));

**(C) Where an At-Expiry Knock-in Event is applicable (as specified in the applicable Term Sheet)**

- (i) if an At-Expiry Knock-in Event **has not occurred**, a cash amount in the Settlement Currency (subject to the provisions of Condition 4(d)(ii) if the Settlement Currency is RMB) equal to the Nominal Amount, less any Cash Settlement Expenses; or
- (ii) if an At-Expiry Knock-in Event **has occurred**, a number of the Worst Performing Stock on the Expiry Date equal to the Asset Amount (subject to the provisions of Conditions 4(e) and 6(e));

“**Settlement Currency**” means, such currency as specified in the applicable Term Sheet;

“**Settlement Date**” means such date as specified in the applicable Term Sheet;

“**TARGET**” means the Trans-European Automated Real-time Gross Settlement Express Transfer System, the current real time gross settlement payment system for the settlement of Euro transactions within the Eurozone;

“**Total Days**” means the total number of Scheduled Trading Days in an Observation Period, notwithstanding the satisfaction of the Autocall Condition, provided that, for the purposes of determining “Total Days” in an Observation Period, if any Scheduled Trading Day is a Disrupted Day in respect of any Reference Stock in the Reference Basket, then such Scheduled Trading Day shall be disregarded for the purpose of determining “Total Days”; provided further that, for the purposes of determining “Total Days” where the Autocall Condition is satisfied on a Call Date, each Scheduled Trading Day from (and excluding) such Call Date to (and including) the last day of the relevant Observation Period shall be deemed not to be a Disrupted Day;

“**Trade Date**” means such date as specified in the applicable Term Sheet or, if such date is not a Scheduled Trading Day, the following Scheduled Trading Day;

“**Underlying Currency**” means in respect of a Reference Stock, the currency in which such Reference Stock is quoted on the relevant US Exchange, which is specified in the applicable Term Sheet;

“**USD**” means United States dollars, the lawful currency of the United States of America;

“**US Exchange**” means, in respect of a Reference Stock, each exchange or quotation system specified as such for such Reference Stock in the applicable Term Sheet, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Reference Stock has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Reference Stock on such temporary substitute exchange or quotation system as the original US Exchange);

“**Valuation Time**” means, in relation to a Reference Stock, the Scheduled Closing Time on the relevant US Exchange on the relevant Scheduled Trading Day. If the relevant US Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time; and

“**Worst Performing Stock**” means, in respect of a Scheduled Trading Day and the Reference Stocks in the Reference Basket, the Reference Stock which generates the lowest percentage calculated in accordance with the following formula:

$$\frac{\text{Closing Price of the relevant Reference Stock on the relevant Scheduled Trading Day}}{\text{Initial Spot Price of the relevant Reference Stock}} \times 100\%$$

(rounded to the nearest 0.0001%, with 0.00005% or above being rounded upwards) (the “**Performance**”).

Provided that, if more than one Reference Stock has the same lowest Performance in respect of a Scheduled Trading Day, then the Issuer shall determine the Worst Performing Stock in respect of such Scheduled Trading Day in its sole and absolute discretion acting in good faith and a commercially reasonable manner.

### 3. Termination of ELIs, Autocall Condition and Expiry

- (a) If the Autocall Condition is satisfied on a Call Date, the ELIs will automatically be early terminated on such Call Date (without notice being given to the ELI holders) and, the Issuer will pay (through the Agent) to the ELI holders the Early Settlement Amount on the Early Settlement Date, all subject to Condition 2 and in accordance with Condition 4; and
- (b) if the Autocall Condition has not been satisfied and the ELIs are not otherwise early terminated, the ELIs will automatically be terminated on the Expiry Date (without notice being given to the ELI holders). The Issuer will pay or, as the case may be, deliver (through the Agent) to the ELI holders the Settlement Amount on the Settlement Date, all subject to Condition 2 and in accordance with Condition 4.

For the avoidance of doubt, where the ELIs have been early terminated on a Call Date or terminated on the Expiry Date, as the case may be, payment of the Early Settlement Amount on the Early Settlement Date or payment or delivery (as the case may be) of the Settlement Amount on the Settlement Date (as the case may be) shall constitute full and final settlement of the obligations of the Issuer with respect to the ELIs. Subject to such payment or delivery, as the case may be, having been made, the Issuer shall have no further obligation towards the relevant ELI holder under the ELIs subsequent to such Early Settlement Date or Settlement Date, as the case may be.

### 4. Settlement of ELIs

- (a) *No requirement to deliver an exercise notice.* The ELI holders will not be required to deliver an exercise notice for any purpose in relation to the ELIs.
- (b) *Cancellation.* The Issuer will procure that the Registrar will remove from its Register the name of the person in respect of the ELIs which are the subject of a termination in accordance with these Conditions.
- (c) *Settlement.* Subject to termination of ELIs in accordance with these Conditions, the Issuer will (i) if the Autocall Condition is satisfied, make a payment to the relevant ELI holder of the Early Settlement Amount no later than the relevant Early Settlement Date; or (ii) if the Autocall Condition has not been satisfied, make a payment or delivery (as the case may be) to the relevant ELI holder of the Settlement Amount no later than the Settlement Date.

(d) *Cash Settlement.*

(i) In the case where:

- (A) the Early Settlement Amount is payable to an ELI holder pursuant to satisfaction of the Autocall Condition, the Early Settlement Amount shall be despatched no later than the Early Settlement Date;
- (B) the ELIs are terminated pursuant to Condition 6, the Early Termination Amount shall be despatched no later than the third Business Day after the date of termination of the ELIs; or
- (C) the Settlement Amount is a cash amount, the Settlement Amount shall be despatched no later than the Settlement Date, in each case by crediting that amount to the relevant bank account designated by the relevant ELI holder.

- (ii) *RMB Disruption Event.* In the case where the Settlement Currency is RMB, if the Issuer has determined, in its sole and absolute discretion, acting in good faith and a commercially reasonable manner, that an RMB Disruption Event has occurred on, or prior to and is continuing on, any day on which any amount payable in RMB under the ELIs is scheduled to be paid, such payment will be postponed to the third Business Day after the date on which the RMB Disruption Event ceases to exist, unless the RMB Disruption Event continues to exist for twelve consecutive Business Days from the original date that, but for the occurrence of the RMB Disruption Event, would have been the date for such payment. In such case, the Issuer shall make payment of the HKD Equivalent Amount no later than the third Business Day after such twelfth Business Day.

Notice of such postponement of payment will be given to the ELI holder in accordance with Condition 10 on the original payment date, and a further notice of the determination by the Issuer to pay such HKD Equivalent Amount referred to above will be given to the ELI holder in accordance with Condition 10 as soon as practicable but no later than the third Business Day after such HKD Equivalent Amount is determined.

The ELI holder shall not be entitled to any payment whether of interest or otherwise in the ELIs in the event of any delay in the cash payment or any determination for payment of the HKD Equivalent Amount pursuant to this Condition 4(d)(ii) and no liability in respect thereof shall attach to the Issuer.

(e) *Delivery of the Asset Amount.*

- (i) In the case where the Settlement Amount is the Asset Amount, a cash amount equal to the cash equivalent of the Asset Amount shall be deemed to be payable by the Issuer to the relevant ELI holder, and the ELI holder shall be deemed to have appointed and authorised the Issuer, as the agent of the relevant ELI holder and on its behalf (and/or such other persons as the Issuer may appoint for this purpose as sub-agent for the relevant ELI holder and on behalf of the relevant ELI holder) to use such cash equivalent to purchase, on the Expiry Date, the relevant number of the Worst Performing Stock on the Expiry Date which forms the Asset Amount. The Issuer will procure delivery of the relevant number of the Worst Performing Stock on the Expiry Date which forms the Asset Amount to the relevant ELI holder no later than the Settlement Date by way of electronic settlement through the relevant Clearance System.

- (ii) In order to obtain delivery of the Asset Amount, (a) all Physical Settlement Expenses must be paid by the ELI holders to the Issuer and (b) the relevant ELI holder must notify the Issuer of such details as required by the Issuer for the delivery of the Asset Amount (if any) which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank or agent to whom documents evidencing the Asset Amount are to be delivered.
  
- (iii) Save as provided below in the case of a Settlement Disruption Event, the Issuer will procure:
  - (a) the delivery of the Worst Performing Stock on the Expiry Date comprising the Asset Amount to the ELI holder no later than the Settlement Date or, if such date is not a Clearance System Business Day, the following Clearance System Business Day; and
  
  - (b) the despatch of any payment to which the ELI holder is entitled pursuant to Condition 6(e), if applicable, no later than the Settlement Date.

The Calculation Agent shall determine, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of the Worst Performing Stock on the Expiry Date on the original day that but for such Settlement Disruption Event would have been the Settlement Date, then the Settlement Date will be the first succeeding day on which delivery of such Worst Performing Stock can take place through the relevant Clearance System as specified in the Term Sheet unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearance System Business Days immediately following the original date (the “**Disruption Period**”) that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, (i) the Issuer shall use reasonable efforts to deliver such Worst Performing Stock promptly thereafter using such other commercially reasonable manner as it may select (which may include but shall not be limited to delivery outside the Clearance System), and in such event, the Settlement Date shall be the first day on which such delivery can practically take place using such other commercially reasonable manner and/or (ii) if such Worst Performing Stock cannot be delivered in any other commercially reasonable manner (as determined by the Issuer in its sole and absolute discretion acting in good faith and a commercially reasonable manner), then the Settlement Date will be postponed until delivery can be effected through the relevant Clearance System or such other commercially reasonable manner. Notice of (i) any postponement of the Settlement Date upon the occurrence of a Settlement Disruption Event will be given on the originally scheduled Settlement Date to the ELI holders in accordance with Condition 10; and (ii) whether the Issuer will be able to deliver the Worst Performing Stock on the Expiry Date in another commercially reasonable manner or whether the delivery of such Worst Performing Stock will be postponed indefinitely until delivery can be effected through the relevant Clearance System or another commercially reasonable manner will be given on the last day of the Disruption Period to the ELI holders in accordance with Condition 10.

For the purposes of this Condition 4(e):

“**Settlement Disruption Event**” in relation to the Worst Performing Stock on the Expiry Date means an event which the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, determines to be beyond the control of the Issuer and to be an event as a result of which the relevant Clearance System cannot clear the transfer of such Worst Performing Stock.

- (f) *Intervening Period.* Where the Settlement Amount is the Asset Amount, as from the Expiry Date, the relevant ELI holder shall become beneficially entitled to all those rights attaching to the Worst Performing Stock on the Expiry Date which forms the Asset Amount to be delivered in respect of such exercise to which he would have become entitled if he had been registered as the holder of such Worst Performing Stock on the Expiry Date.

Notwithstanding the foregoing, as from the Expiry Date and until such time as the relevant ELI holder (or such person as he may have directed) is delivered the Worst Performing Stock on the Expiry Date which forms the Asset Amount using the method specified in Condition 4(e) (the “**Intervening Period**”), neither the Issuer nor the Agent or their nominee shall:

- (i) be under any obligation to deliver to such ELI holder or any subsequent beneficial owner of such Worst Performing Stock which forms the Asset Amount any letter, certificate, notice, circular, dividend or any other document, payment, securities or asset whatsoever received by the Issuer or the Agent or nominee in its capacity as the registered holder of such Worst Performing Stock; or
  - (ii) be under any obligation to exercise any or all rights (including voting rights) attaching to such Worst Performing Stock which forms the Asset Amount during the Intervening Period without the prior written consent of such ELI holder; or
  - (iii) be under any liability to such ELI holder or any subsequent beneficial owner of such Worst Performing Stock which forms the Asset Amount in respect of any loss or damage which such ELI holder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or the Agent or their nominee being registered during such Intervening Period as legal owner of such Worst Performing Stock.
- (g) Notwithstanding Condition 4(f) above, the Issuer shall:
- (i) notify as soon as reasonably practicable each relevant ELI holder, of the receipt by the Issuer or the Agent or their nominee during the Intervening Period of any dividend, distribution, bonus issue or shares (as the case may be) issued pursuant to a share split or consolidation in respect of the Worst Performing Stock on the Expiry Date which forms the Asset Amount beneficially owned by such ELI holder under these Conditions;
  - (ii) make available as soon as reasonably practicable following receipt of such dividend or distribution payment (in respect of the Worst Performing Stock on the Expiry Date which forms the Asset Amount which the ELI holder is entitled under these Conditions) for collection by the relevant ELI holder or the person to whom the relevant ELI holder directed upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer;
  - (iii) notify as soon as reasonably practicable each relevant ELI holder of the receipt by the Issuer of any right, entitlement or offer during the Intervening Period which the ELI holder is entitled to exercise or accept under these Conditions as beneficial owner of the relevant Worst Performing Stock which forms the Asset Amount, and make available any document relating to such right, entitlement or offer for collection by the relevant ELI holder or the person to whom the relevant ELI holder directed upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer, and following receipt by the Issuer of written notification as

may reasonably be required and, where appropriate, any relevant payment or consideration necessary in connection with exercising or accepting any such right, entitlement or offer from the relevant ELI holder or the person to whom the relevant ELI holder directed the relevant Worst Performing Stock which forms the Asset Amount to be delivered, the Issuer shall on behalf of the relevant ELI holder, or the person to whom the relevant ELI holder directed the relevant Worst Performing Stock which forms the Asset Amount to be delivered, exercise or accept such right, entitlement or offer; and

- (iv) following receipt of an entitlement (in respect of the Worst Performing Stock on the Expiry Date which forms the Asset Amount) which takes the form of securities issued by the Company by way of rights (to which entitlement the relevant ELI holder is entitled under these Conditions), the Issuer shall, as soon as reasonably practicable, make available all documentation received by it relating to such entitlement for collection by the relevant ELI holder, or the person to whom the relevant ELI holder directed the Worst Performing Stock on the Expiry Date which forms the Asset Amount to be delivered, upon production of such evidence of entitlement and identification as may reasonably be required.
- (h) *Relationship of agency or trust.* These Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Issuer or the Agent or their nominee and any ELI holder in its capacity as beneficial owner of the relevant Worst Performing Stock, or any subsequent beneficial owner of the relevant Worst Performing Stock, during an Intervening Period and neither the Issuer nor the Agent or their nominee shall owe any duty of a fiduciary nature to either such ELI holder or such beneficial owner in respect of such Worst Performing Stock.
- (i) *Taxation.* The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, termination or enforcement of any ELI by any person and all payments and/or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

## **5. Registrar and Agent**

- (a) The initial Agent and Registrar is set out below. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar or the Agent and to appoint another registrar or agent provided that, for so long as any ELIs remain outstanding, it will at all times maintain a Registrar and an Agent. Notice of any such termination or appointment and of any change in the offices will be given to the ELI holders in accordance with Condition 10.
- (b) Each of the Registrar and the Agent will be acting as agents of the Issuer in respect of any ELIs and will not assume any obligation or duty to or any relationship of agency or trust for the ELI holders.
- (c) The register of ELI holders will be maintained outside Hong Kong by the Registrar and the Registrar will enter or cause to be entered the name, address and banking details of the holders of the ELIs, the details of the ELIs held by any ELI holder including the number of ELIs of each series held and any other particulars which it thinks proper.



## 6. Adjustments, Replacement and Early Termination

### (a) *Potential Adjustment Events*

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that a Potential Adjustment Event has occurred in relation to a Reference Stock during the period from and including the Trade Date to and including the Expiry Date, it will, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Reference Stock and, if so, will make such adjustments, if any, to the terms and conditions of the relevant ELIs as it determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, to be appropriate to account for that diluting or concentrative effect so as to preserve the economic equivalence of the relevant ELIs. In determining such adjustment(s):

- (i) if futures or options contracts of the Reference Stock are traded on the relevant US Exchange or the Related Exchange, the Calculation Agent will follow any adjustment to the terms of the relevant futures or options contracts made and announced by the relevant US Exchange or the Related Exchange, unless following such adjustment is not able to preserve the economic equivalence of the ELI. In such case, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the ELIs; or
- (ii) if there are no futures or options contracts of the Reference Stock traded on the relevant US Exchange or the Related Exchange, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the ELIs.

The Calculation Agent shall also determine, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable, any such ex-date(s) or other relevant date(s) as provided by the relevant US Exchange or the Related Exchange as the effective date(s) of such adjustment(s).

### (b) *Merger Event and Tender Offer*

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that (i) a Merger Event or (ii) Tender Offer has occurred in relation to a Reference Stock during the period from and including the Trade Date to and including the Expiry Date, it will make such adjustment, if any, to the terms and conditions of the relevant ELIs as it determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, to be appropriate to account for the economic effect on the relevant ELIs of such event so as to preserve the economic equivalence of the relevant ELIs and such adjustment(s) shall include, where the Company

issuing the Reference Stock comprise the Reference Basket, has merged with another company, deeming the shares of the surviving entity in the merger to be the new Reference Stock. In determining such adjustment(s):

- (i) if futures or options contracts of the Reference Stock are traded on the relevant US Exchange or the Related Exchange, the Calculation Agent will follow any adjustment to the terms of the relevant futures or options contracts made and announced by the relevant US Exchange or the Related Exchange, unless following such adjustment is not able to preserve the economic equivalence of the ELI. In such case, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the ELIs; or
- (ii) if there are no futures or options contracts of the Reference Stock traded on the relevant US Exchange or the Related Exchange, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and a commercially reasonable manner so as to preserve the economic equivalence of the ELIs.

The Calculation Agent shall also determine, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable, any such ex-date(s) or other relevant date(s) as provided by the relevant US Exchange or the Related Exchange as the effective date(s) of such adjustment(s).

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that any of the foregoing adjustments is unable to preserve the economic equivalence of the relevant ELIs, the Calculation Agent will seek to replace the relevant affected Reference Stock with shares of another company selected by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner (such replacement shares being the “**Substitute Stock**”) which meet all of the following criteria:

- (a) being listed on the relevant US Exchange which is not already comprised in the Reference Basket;
- (b) belongs to a similar economic sector as the affected Reference Stock; and
- (c) has a similar market capitalization as the affected Reference Stock.

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that it is unable to find a Substitute Stock which meets all of the above criteria, then the Calculation Agent will seek to replace the relevant affected Reference Stock with shares of another company selected by the Calculation Agent, in its sole and absolute discretion acting in good faith and a commercially reasonable manner which meets the criteria of (a) and (b) above only.

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected Reference Stock is appropriate, such Substitute Stock shall be deemed to be a Reference Stock and the company issuing the Substitute Stock shall be deemed to be a “Company”. The Calculation Agent may make any further adjustments to the terms and conditions of the ELIs as it thinks fit (acting in good faith and a commercially reasonable manner) to account for the occurrence of the relevant event.

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that replacement of the affected Reference Stock is not appropriate, then the ELIs shall be terminated on the date selected by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and the Issuer shall pay the Early Termination Amount no later than the third Business Day after the date of termination of the ELIs, in which event the entitlements of the ELI holders to each receive the Settlement Amount shall cease and the Issuer's obligations under the ELIs shall be satisfied in full upon payment of such amount.

(c) *Additional Disruption Events*

If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner, that an Additional Disruption Event has occurred in relation to a Reference Stock during the period from and including the Trade Date to and including the Expiry Date, the Calculation Agent will seek to replace the relevant affected Reference Stock with a Substitute Stock based on the same method of selection as set out above. If the Calculation Agent determines, in its sole and absolute discretion acting in good faith and a commercially reasonable manner that replacement of the affected Reference Stock is not appropriate, then the ELIs shall be terminated on the date selected by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner and the Issuer shall pay the Early Termination Amount no later than the third Business Day after the date of termination of the ELIs, in which event the entitlements of the ELI holders to each receive the Settlement Amount shall cease and the Issuer's obligations under the ELIs shall be satisfied in full upon payment of such amount.

For the purposes of this Condition 6:

**“Additional Disruption Event”** means, in respect of a Reference Stock, any of Change in Law, Delisting, Increased Cost of Hedging, Insolvency, Insolvency Filing and Nationalisation;

**“Change in Law”** means (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, and any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it will, or there is a substantial likelihood that it will, within the next 30 calendar days but before the Expiry Date become, or it has become illegal to hold, acquire or dispose of any of the Reference Stocks or (B) it will incur a materially increased cost in performing the Issuer's obligations under the ELIs (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**“Delisting”** means in respect of a Reference Stock, if the relevant US Exchange announces that pursuant to the rules of the relevant US Exchange, the Reference Stock ceases (or will cease) to be listed, traded or publicly quoted on the relevant US Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant US Exchange;

**“Early Termination Amount”** means such amount in the Settlement Currency (subject to the provisions of Condition 4(d)(ii) if the Settlement Currency is RMB) as in the opinion of the Calculation Agent (such opinion to be made in its sole and absolute discretion acting in good faith and a commercially reasonable manner) to be the fair market value of the ELIs on the date of termination of the ELIs (based on, inter alia, the price performance of each of the Reference Stocks, the volatility of each of the Reference Stocks, the number of Scheduled Trading Days until the Expiry Date, the market interest rate movements, the Issuer’s financial condition, the market’s view of the Issuer’s credit quality, the value of the embedded put option, any accrued Potential Cash Distribution Amounts, the Issuer’s costs of unwinding any hedging arrangements relating to the ELIs and if a Daily Knock-in Event has occurred (if applicable));

**“Increased Cost of Hedging”** means, in the opinion of the Calculation Agent (acting in good faith and a commercially reasonable manner), the Issuer or any of its affiliates (a) is unable to, after using commercially reasonable efforts; or (b) would incur a material increase (as compared with circumstances existing on the Trade Date) in tax, duty, expense or fee (other than brokerage commissions) to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the price risk relating to the Reference Stocks of entering into and performing its obligations with respect to the ELI; or
- (ii) freely realise, recover, receive, repatriate, remit or transfer out of or into Hong Kong the proceeds of any such transaction or asset, provided that any such inability to hedge or such materially increased amount that is incurred due to the deterioration of the creditworthiness of the Issuer or its affiliates shall not be deemed an Increased Cost of Hedging;

**“Insolvency”** means, in respect of a Company whose shares comprise the Reference Basket, by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Company (A) all the shares of the Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the shares become legally prohibited from transferring them;

**“Insolvency Filing”** means, in respect of a Company whose shares comprise the Reference Basket, such Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the shares shall not be deemed an Insolvency Filing;

**“Merger Event”** means in respect of a Reference Stock, any of the following events:

- (i) reclassification or change of such Reference Stock that results in a transfer of or an irrevocable commitment to transfer all of such Reference Stock outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in any such reclassification or change of all of such shares outstanding); or

- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Reference Stock (other than such Reference Stock owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares immediately following such event;

**“Nationalisation”** means in respect of a Company whose shares comprise the Reference Basket, if all such shares or all the assets or substantially all the assets of such Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

**“Potential Adjustment Event”** means in respect of a Reference Stock:

- (i) a subdivision, consolidation or reclassification of the Reference Stock (unless resulting in a Merger Event) or a free distribution or dividend of any such Reference Stock to existing holders whether by way of bonus, capitalisation or similar issue; or
- (ii) a distribution or dividend to existing holders of the Reference Stock of (a) such Reference Stock or (b) other share capital or securities granting the right to payment of distributions and/or dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of any such Reference Stock or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and a commercially reasonable manner; or
- (iii) a declaration or payment of an extraordinary dividend (for the avoidance of doubt, a declaration or payment of an ordinary dividend is not a “Potential Adjustment Event” as defined herein); or
- (iv) a call by the Company in respect of the Reference Stock that are not fully paid; or
- (v) a repurchase by the Company or any of its subsidiaries of the Reference Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Stock; and

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

(d) *Notice of Adjustments and/or Replacements or Termination*

All determinations made by the Issuer or the Calculation Agent pursuant hereto will be conclusive and binding on the ELI holders and the Issuer. The Issuer will give, or procure that there is given, notice of any adjustment and/or replacement of Reference Stock(s) or termination (as the case may be) and of the date from which such adjustment and/or replacement is effective or the date of termination (as the case may be) and the relevant Early Termination Amount, as soon as practicable by no later than three Business Days after such determination has been made in accordance with Condition 10.

(e) *Excess Lot of Reference Stocks*

In the case where the Settlement Amount is equal to the delivery of the Asset Amount the following provision will apply:

In respect of any fractional stocks of the Reference Stock (as rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards) resulting from the calculation of the Asset Amount (the “**Excess Lot**”),

- (i) the Issuer shall not deliver to the relevant ELI holder and the ELI holder shall cease to be entitled to receive in respect of the relevant exercise of ELIs, that Excess Lot; and
- (ii) the relevant ELI holder shall be entitled to receive a cash amount for such fractional stocks in the Settlement Currency (subject to the provision of Condition 4(d)(ii) if the Settlement Currency is RMB) from the Issuer (to be paid no later than the Settlement Date in accordance with Condition 4(d)) equal to the Closing Price of the Worst Performing Stock on the Expiry Date (to be converted into the Settlement Currency at the Exchange Rate if Underlying Currency is not the same as Settlement Currency), multiplied by the Excess Lot (rounded to the nearest 0.01, with 0.005 or above being rounded upwards).

## 7. **Potential Cash Distribution Amount**

In respect of each ELI, the Issuer shall pay to the ELI holder an amount (each a “**Potential Cash Distribution Amount**”) in respect of each Observation Period calculated by the Calculation Agent as follows, rounded to the nearest 0.01, with 0.005 or above being rounded upwards:

- (a) in respect of each Observation Period where the Potential Cash Distribution Amount is specified as “fixed” in the applicable Term Sheet, the Potential Cash Distribution Amount shall be an amount calculated by the Issuer in accordance with the following formula:

Nominal Amount x Fixed Cash Distribution Rate



Provided that if the ELI is early terminated on a Call Date pursuant to satisfaction of the Autocall Condition, the relevant Potential Cash Distribution Amount payable in respect of the relevant Observation Period will be calculated up to (and including) the Call Date on which the Autocall Condition is satisfied in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Fixed Cash Distribution Rate} \times \frac{n}{N}$$

where

“n” is the number of Scheduled Trading Days during the period from (but excluding) the Observation Period Start Date of the relevant Observation Period up to (and including) the relevant Call Date on which the Autocall Condition is satisfied; and

“N” is the total number of Scheduled Trading Days in the relevant Observation Period.

If any Scheduled Trading Day is a Disrupted Day for any Reference Stock, such dates will be disregarded for the purposes of determining “n” and “N” as used in the calculation of the Fixed Potential Cash Distribution Amount provided that, for the purposes of determining “N” where the Autocall Condition is satisfied on a Call Date, each Scheduled Trading Day from (and excluding) such Call Date to (and including) the last day of the relevant Observation Period shall be deemed not to be a Disrupted Day.

- (b) in respect of each Observation Period where the Potential Cash Distribution Amount is specified as “variable” in the applicable Term Sheet, the Potential Cash Distribution Amount shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{(I) Nominal Amount} \times \text{Day-In Cash Distribution Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

PLUS

$$\text{(II) Nominal Amount} \times \text{Day-Out Cash Distribution rate} \times \frac{\text{Days Out}}{\text{Total Days}}$$

“Total days” is zero if all Scheduled Trading Days in the relevant Observation Period are Disrupted Days. For the avoidance of doubt, if “Total Days” is zero, no Variable Potential Cash Distribution Amount will be payable for the relevant Observation Period.

If a Potential Cash Distribution Amount is payable, such amount in the Settlement Currency (subject to the provision of Condition 4(d)(ii) if the Settlement Currency is RMB) will be paid on the relevant Cash Distribution Payment Date. If the Autocall Condition is satisfied on a Call Date, the Cash Distribution Payment Date for the relevant Observation Period shall instead be the Early Settlement Date and no Potential Cash Distribution Amount will be payable in respect of Observation Period(s) falling after the Call Date on which the Autocall Condition is satisfied.

## 8. Purchases

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

## 9. Meetings of ELI holders; Modification

- (a) *Meetings of ELI holders.* The Deed of Covenant contains provisions for convening meetings of the ELI holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Deed of Covenant) of a modification of the provisions of the ELIs or of the Global Certificate.

Such a meeting may be convened by the Issuer or by ELI holders holding not less than 10 per cent. of the ELIs for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the ELIs for the time being remaining outstanding, or at any adjourned meeting two or more persons being or representing ELI holders whatever the number of ELIs so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such ELI holders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the ELI holders shall be binding on all the ELI holders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the ELI holders being held if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the ELI holders, effect any modification of the provisions of the ELIs or the Global Certificate which is of a formal, operational, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws of Hong Kong (as defined below). Any such modification shall be binding on the Issuer and the ELI holders and shall be notified to the ELI holders by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 10.

## 10. Notices

- (a) All documents required or permitted by these Conditions to be sent to an ELI holder or to which an ELI holder is entitled or which the Issuer shall have agreed to deliver to the ELI holder must be made in writing (including without limitation in the form of electronic records), and may be delivered by hand or sent by post or (if posted to an address not in Hong Kong) by airmail post, or by email or other electronic means, addressed to the ELI holder to the ELI holder's address (or, in the case of joint ELI holders, to the address of the first named ELI holder) appearing in the register kept by the Registrar. All documents delivered or sent in accordance with this Condition 10(a) shall be delivered or sent at the risk of the relevant ELI holder.
- (b) All notices to ELI holders will be validly given if delivered or sent in accordance with Condition 10(a). In addition, such notices to ELI holders may also be published in English in one leading English, and in Chinese in one leading Chinese, language newspaper circulating in Hong Kong. Such notices shall be deemed to have been given on the date of the first such publication.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the ELI holders, to create and issue further ELIs so as to form a single series with the issued ELIs.

## 12. Modification of the Conditions of the ELIs in the applicable Term Sheet

The Conditions applicable to the ELIs may be amended, supplemented, replaced or modified as set forth in the applicable Term Sheet or in an annex to such Term Sheet.

### **13. Third Party Rights**

A person who is not a party to these Conditions has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of these Conditions.

### **14. Governing Law**

The ELIs, the Global Certificate and the Deed of Covenant will be governed by and construed in accordance with the laws of Hong Kong. The Issuer and each ELI holder (by its purchase of the ELIs) shall be deemed to have submitted for all purposes in connection with the ELIs, the Global Certificate and the Deed of Covenant to the non-exclusive jurisdiction of the courts of Hong Kong.

### **15. Language**

In the event of any inconsistency between the Chinese version of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

#### **Specified Office of the Agent and Registrar**

BNP Paribas

60-63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

## APPENDIX C — HYPOTHETICAL EXAMPLES

*The following hypothetical examples are for illustrative purposes only and do not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the reference stocks or the potential payout on the BNP Paribas Basket US Stocks ELIs. They do not take into account any expenses payable by the investor.*

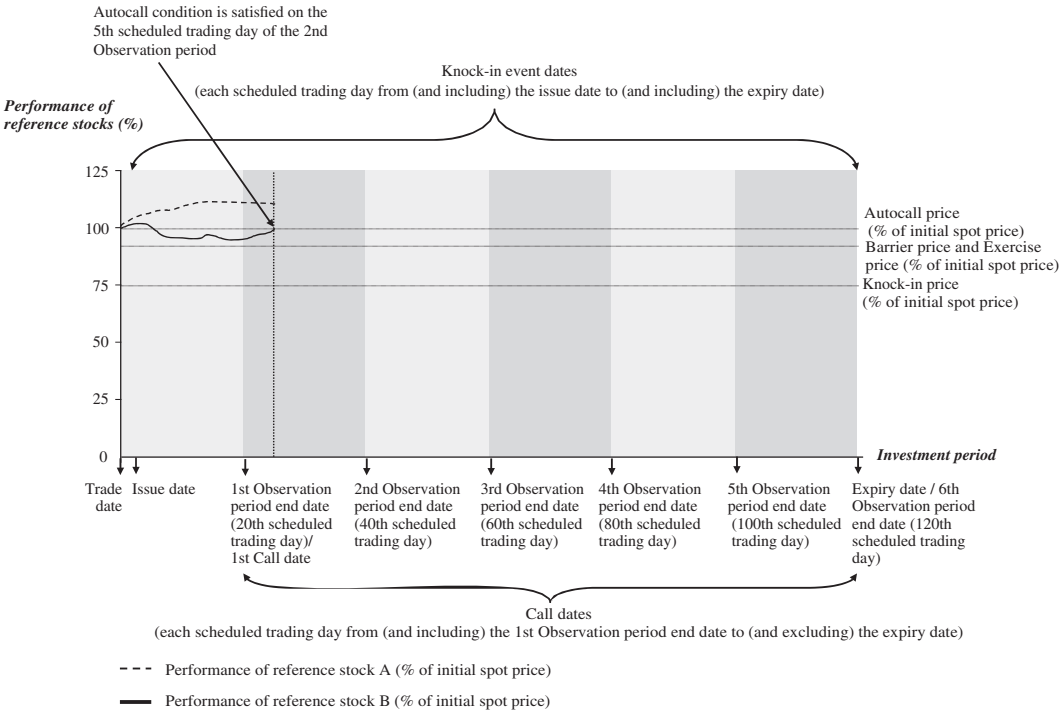
### A. Where the daily call and daily knock-in are applicable

In this example, suppose an investor bought 10 BNP Paribas Basket US Stocks ELIs (with daily call and daily knock-in) in the same series with the following terms:

Reference stock	Reference stock A	Reference stock B
Trade date	23 April 20xx	
Issue date	30 April 20xx	
Expiry date	31 October 20xx	
Settlement date	4 November 20xx	
Scheduled tenor (being the period from and including the issue date to and including the settlement date)	189 calendar days	
Investment period (being the period from and including the trade date to and including the expiry date)	192 calendar days	
Initial spot price of the reference stock on trade date	USD78.85	USD23.50
Issue price for each BNP Paribas Basket US Stocks ELI	USD10,000 for scenarios 1 to 6/ RMB62,500 for scenarios 5, 6 and 7 (100% of nominal amount)	
Nominal amount for each BNP Paribas Basket US Stocks ELI	USD10,000 for scenarios 1 to 6/ RMB62,500 for scenarios 5, 6 and 7	
Total issue price for 10 BNP Paribas Basket US Stocks ELIs	USD100,000 for scenarios 1 to 6/ RMB625,000 for scenarios 5, 6 and 7	
Total nominal amount for 10 BNP Paribas Basket US Stocks ELIs	USD100,000 for scenarios 1 to 6/ RMB625,000 for scenarios 5, 6 and 7	
Exercise price (95.00% of the initial spot price) (for the determination of settlement at expiry)	USD74.9075	USD22.3250
Autocall price (100.00% of the initial spot price) (for the determination of whether the autocall condition is satisfied)	USD78.8500	USD23.5000
Barrier price (95.00% of the initial spot price) (for the determination of the number of “days in” as used in the variable accrual formula)	USD74.9075	USD22.3250
Knock-in price (75.00% of the initial spot price) (for the determination of whether a knock-in event has occurred)	USD59.1375	USD17.6250
Method for calculating the potential cash distribution amount for each observation period	1st observation period: Fixed amount 2nd to 6th observation periods: Variable amount	
Number of scheduled trading days in each observation period	20	
Fixed cash distribution rate	0.6000%	
Day-in cash distribution rate	0.6000%	
Day-out cash distribution rate	0.1000%	

Settlement currency	United States dollars (“USD”) for all scenarios except scenario 7/Renminbi (“RMB”) for scenarios 5, 6 and 7
Exchange rate (The mid-market exchange rate for USD per 1 offshore RMB on the expiry date)	0.16 (where the settlement currency is RMB)
Underlying currency	USD for all scenarios
Call dates	Each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date
Knock-in event dates	Each scheduled trading day from (and including) the issue date to (and including) the expiry date
Performance of reference stock	$\frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$ <p>(rounded to the nearest 0.0001%, with 0.00005% or above being rounded upwards)</p>

**Scenario 1 — The autocall condition is satisfied (gain case scenario)**



- Which is the worst performing stock on the 5th scheduled trading day during the second observation period?

Assume that the closing price of reference stock A and reference stock B on the 5th scheduled trading day of the second observation period is USD86.00 and USD23.50 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD86.00}}{\text{USD78.85}} \times 100\% = 109.0679\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD23.50}}{\text{USD23.50}} \times 100\% = 100.0000\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 5th scheduled trading day of the second observation period.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is satisfied — The above diagram illustrates that the worst performing stock on the 5th scheduled trading day during the second observation period (being reference stock B) closes at its autocall price. Hence, the autocall condition is satisfied on this call date and the BNP Paribas Basket US Stocks ELIs will be early terminated.

— Investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the early settlement date (which is the day that is no later than the third business day after the call date).

Potential cash distribution amount

**1st observation period:**

— Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd observation period:**

— The above diagram illustrates that the worst performing stock on each of the first 5 scheduled trading day during the 2nd observation period (being reference stock B) closes above its barrier price. A variable potential cash distribution amount (calculated by reference to the day-in cash distribution rate) is payable for the 2nd observation period.

— Investor receives a potential cash distribution amount of USD15.00 for the 2nd observation period (calculated up to the 5th scheduled trading day in the 2nd observation period) on the 2nd cash distribution payment date (which is the early settlement date), calculated as follows:

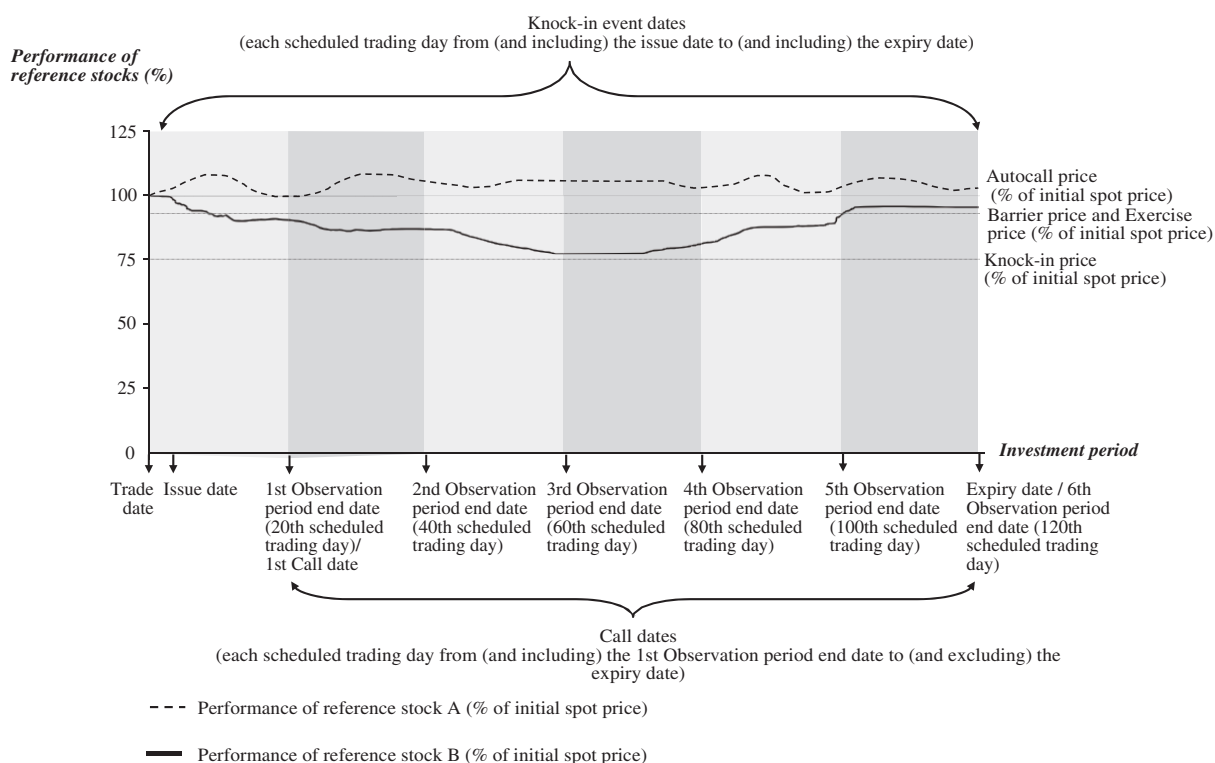
Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 5/20 + USD10,000 x 0.1000% x 0/20 = USD15.00 (for each BNP Paribas Basket US Stocks ELI); or USD15.00 x 10 BNP Paribas Basket US Stocks ELIs = USD150 (for 10 BNP Paribas Basket US Stocks ELIs).

Total payout on investment

— Investor receives a total payout of USD100,750 (being USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period) + USD150 (potential cash distribution amount for the 2nd observation period)), which is equivalent to a gain of 0.750% (being [(USD100,750 - USD100,000)/USD100,000] x 100%) compared to the total issue price paid.



**Scenario 2 — The autocall condition is not satisfied, a daily knock-in event has not occurred, certain potential cash distribution amounts payable and the closing price of the worst performing stock as of the expiry date is above its exercise price (gain case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD78.00 and USD21.00 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD}78.00}{\text{USD}78.85} \times 100\% = 98.9220\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD}21.00}{\text{USD}23.50} \times 100\% = 89.3617\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied	— The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date (being reference stock B) closes below its autocall price.
	— Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 5th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 5th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 5th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 5th observation periods on each of the 2nd to the 5th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI; or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**6th observation period:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during the 6th observation period (being reference stock B) closes at or above its barrier price. A variable potential cash distribution amount (calculated by reference to the day-in cash distribution rate) is payable for the 6th observation period.
- Investor receives a potential cash distribution amount of USD60 for the 6th observation period on the 6th cash distribution payment date, calculated as follows:

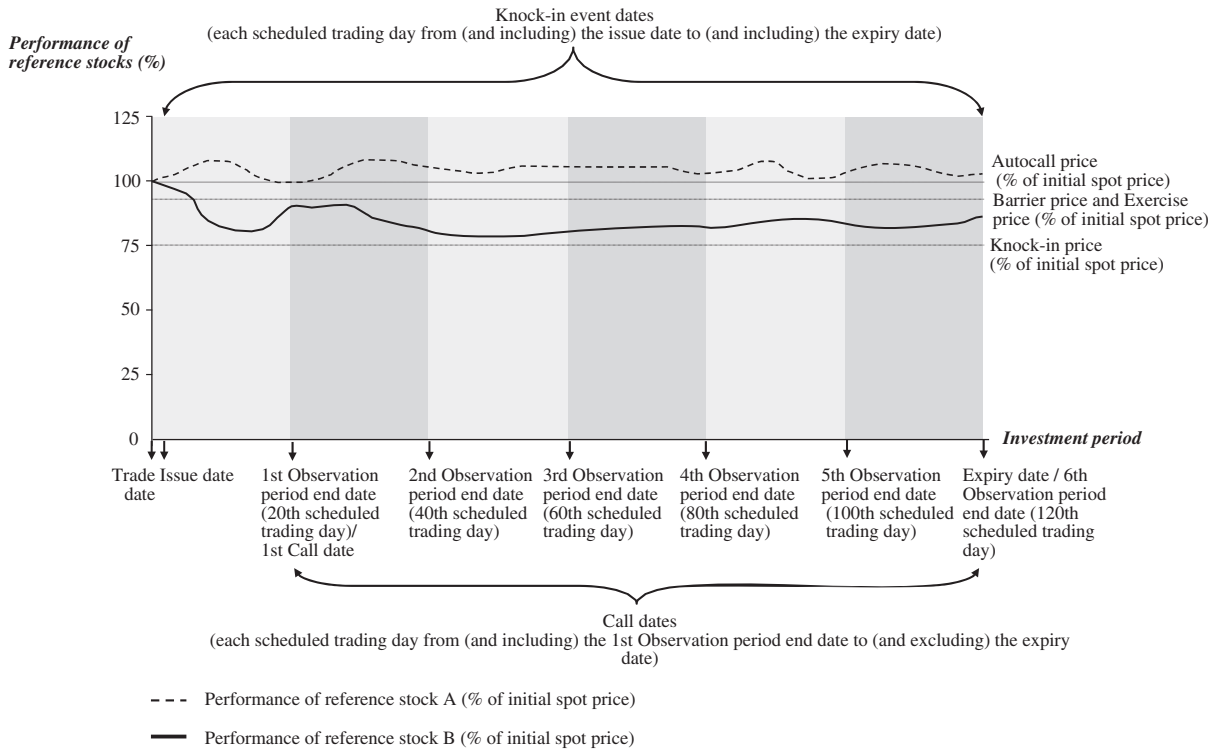
Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 20/20 + USD10,000 x 0.1000% x 0/20 = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

- The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the issue date to (and including) the expiry date (being reference stock B) closes above its knock-in price. Therefore, a knock-in event has not occurred.
- Investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the settlement date. Investor also receives the potential cash distribution amount for the 6th observation period described above.

Total payout on investment — Investor receives a total payout of USD101,600 (being: USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period) + USD100 x 4 (potential cash distribution amount for each of the 2nd to 5th observation periods) + USD600 (potential cash distribution amount for the 6th observation period)), which is equivalent to a gain of 1.6% (being  $[(USD101,600 - USD100,000) / USD100,000] \times 100\%$ ) compared to the total issue price paid).

**Scenario 3 — The autocall condition is not satisfied, a daily knock-in event has not occurred, certain potential cash distribution amounts payable and the closing price of the worst performing stock as of the expiry date is below its exercise price (gain case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD78.85 and USD21.00 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD78.85}}{\text{USD78.85}} \times 100\% = 100.0000\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD21.00}}{\text{USD23.50}} \times 100\% = 89.3617\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied

- The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date (being reference stock B) closes below its autocall price.
- Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.

- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI; or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

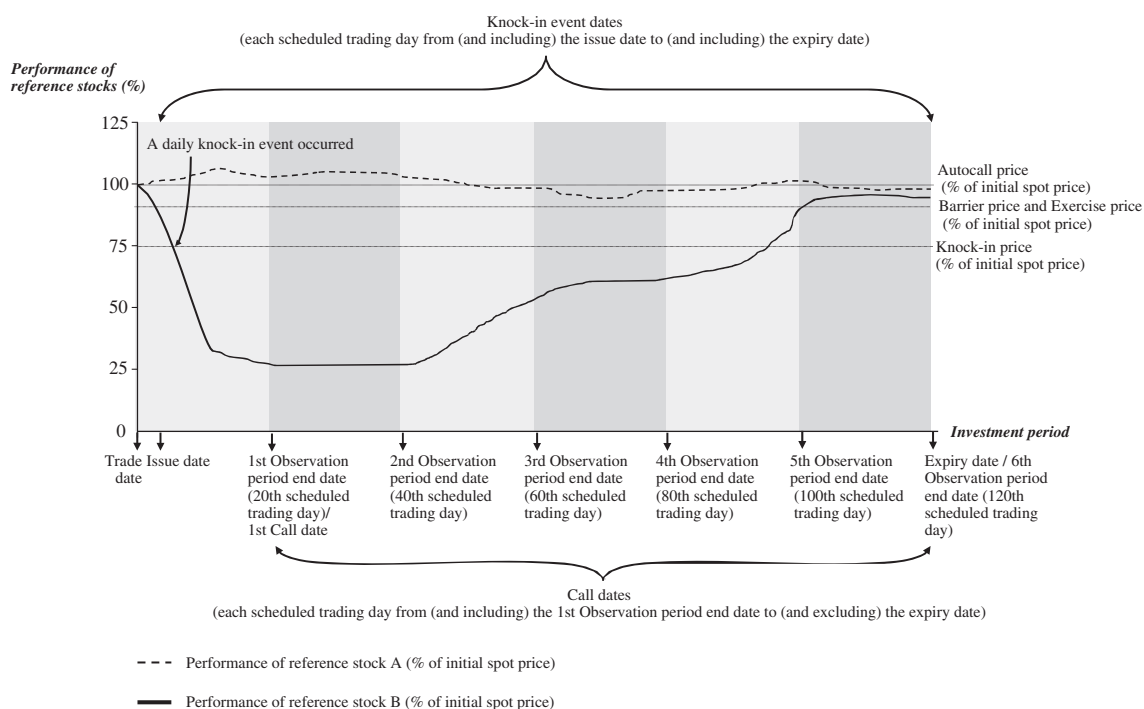
- The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the issue date to (and including) the expiry date (being reference stock B) closes above its knock-in price. Therefore, a knock-in event has not occurred.

- Despite the worst performing stock closes below its exercise price on the expiry date (being reference stock B), since a knock-in event has not occurred, the investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the settlement date. Investor also receives the potential cash distribution amount for the 6th observation period described above.

Total payout on investment

- Investors receives a total payout of USD101,100 (being USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period) + USD100 x 5 (potential cash distribution amount for each of the 2nd to 6th observation periods)), which is equivalent to a gain of 1.1% (being [(USD101,100 — USD100,000) / USD100,000] x 100%) compared to the total issue price paid).

**Scenario 4 — The autocall condition is not satisfied, a daily knock-in event has occurred, certain potential cash distribution amounts payable and the closing price of the worst performing stock as of the expiry date is above its exercise price (gain case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD81.00 and USD5.90 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD}81.00}{\text{USD}78.85} \times 100\% = 102.7267\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD}5.90}{\text{USD}23.50} \times 100\% = 25.1064\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied — The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date (being reference stock B) closes below its autocall price.

— Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 5th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 5th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 5th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 5th observation periods on each of the 2nd to the 5th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**6th observation period:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during the 6th observation period (being reference stock B) closes at or above its barrier price. A variable potential cash distribution amount (calculated by reference to the day-in cash distribution rate) is payable for the 6th observation period.
- Investor receives a potential cash distribution amount of USD60 for the 6th observation period on the 6th cash distribution payment date, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 20/20 + USD10,000 x 0.1000% x 0/20 = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).



Settlement amount on the settlement date

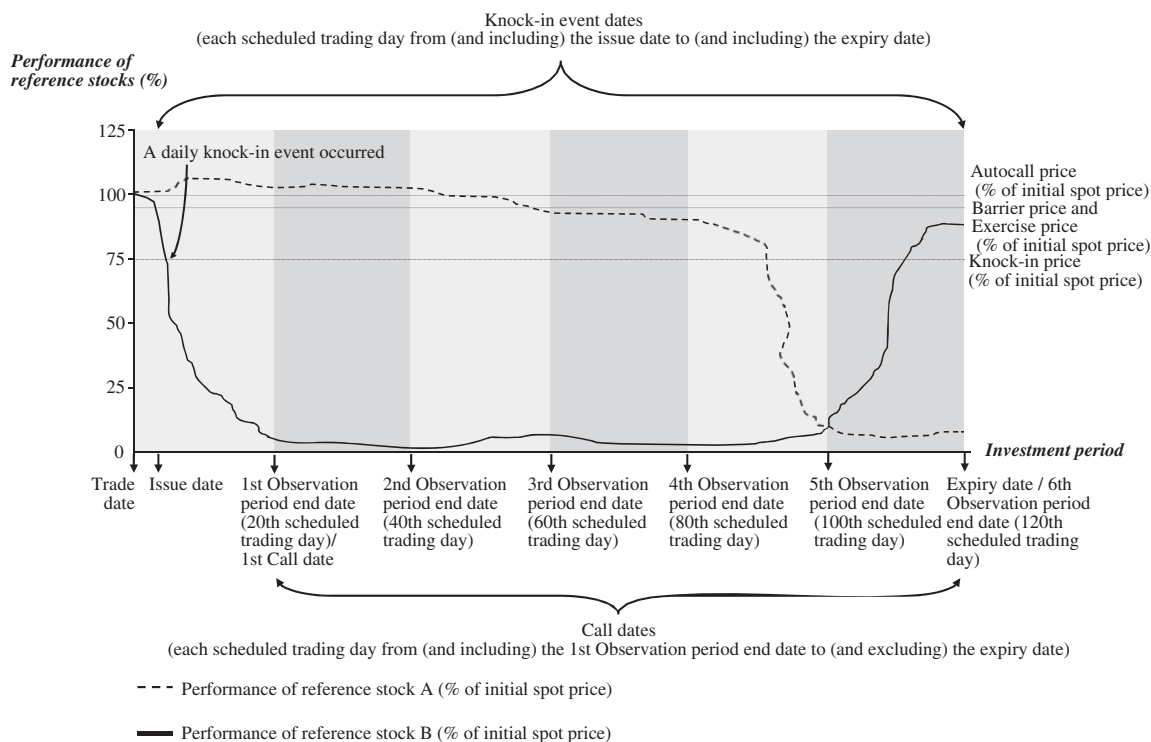
— The above diagram illustrates that the worst performing stock on certain scheduled trading days from (and including) the issue date to (and including) the expiry date (being reference stock B) closes below its knock-in price. Therefore, a knock-in event has occurred.

— Although a knock-in event has occurred, the worst performing stock closes above its exercise price on the expiry date (being reference stock B), the investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the settlement date. Investor also receives the potential cash distribution amount for the 6th observation period described above.

Total payout on investment

— Investor receives a total payout of USD101,600 (being: USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period) + USD100 x 4 (potential cash distribution amount for each of the 2nd to 5th observation periods) + USD600 (potential cash distribution amount for the 6th observation period)), which is equivalent to a gain of 1.6% (being  $[(USD101,600 - USD100,000)/USD100,000] \times 100\%$ ) compared to the total issue price paid.

**Scenario 5 — The autocall condition is not satisfied, a daily knock-in event has occurred and certain potential cash distribution amounts payable and the closing price of the worst performing stock as of the expiry date is below its exercise price (loss case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD81.00 and USD1.25 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD81.00}}{\text{USD78.85}} \times 100\% = 102.7267\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD1.25}}{\text{USD23.50}} \times 100\% = 5.3191\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

- |                                     |  |
|-------------------------------------|--|
| Autocall condition is not satisfied | — The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date (being reference stock B for the 2nd to 5th observation periods and reference stock A for the 6th observation period) closes below its autocall price. |
|                                     | — Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.  |

Potential cash distribution amount

**If the settlement currency is USD:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B for the 2nd to the 5th observation periods, and reference stock A for the 6th observation period) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.

- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs= USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**If the settlement currency is RMB:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of RMB375 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being  $\text{RMB}62,500 \times 0.6000\% = \text{RMB}375$  (for each BNP Paribas Basket US Stocks ELI); or  $\text{RMB}375 \times 10$  BNP Paribas Basket US Stocks ELIs =  $\text{RMB}3,750$  (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B for the 2nd to the 5th observation periods, and reference stock A for the 6th observation period) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of RMB62.5 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being  $\text{RMB}62,500 \times 0.6000\% \times 0/20 + \text{RMB}62,500 \times 0.1000\% \times 20/20 = \text{RMB}62.5$  (for each BNP Paribas Basket US Stocks ELI); or  $\text{RMB}62.5 \times 10$  BNP Paribas Basket US Stocks ELIs =  $\text{RMB}625$  (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

- The above diagram illustrates that the worst performing stock on certain scheduled trading days from (and including) the issue date to (and including) the expiry date (being reference stock B for the 2nd to 5th observation periods and reference stock A for the 6th observation period) closes below its knock-in price. Therefore, a knock-in event has occurred.
- Assume that the worst performing stock on the expiry date (being reference stock A) closes at USD6.15 which is below its exercise price.

**If the settlement currency is USD:**

- Investor receives the asset amount of 133 shares (rounded down to the nearest whole number) of reference stock A (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/exercise price of the worst performing stock as of the expiry date (i.e. reference stock A), being  $\text{USD}10,000/\text{USD}74.9075 = 133.4980$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 1,330 shares of reference stock A (being the worst performing stock as of the expiry date) (calculated as: 133 shares x10).

- Investor also receives a cash payment of USD3.06 (rounded to the nearest 0.01, with 0.005 or above being rounded upwards) for the fractional shares for each BNP Paribas Basket US Stocks ELI, calculate as follows:

Fractional shares x closing price of the worst performing stock on the expiry date, being  $0.4980 \text{ shares} \times \text{USD}6.15$  (rounded to 2 decimal places, with 0.005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives a cash payment of USD30.60 (calculated as: USD3.06 x10).

**If the settlement currency is RMB:**

- Investor receives the asset amount of 133 shares (rounded down to the nearest whole number) of reference stock A (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/(exercise price of the worst performing stock as of the expiry date (i.e. reference stock A)/exchange rate), being  $\text{RMB}62,500/(\text{USD}74.9075/0.16) = 133.4980$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 1,330 shares of reference stock A (being the worst performing stock as of the expiry date) (calculated as: 133 shares x10).

- Investor also receives a cash payment of RMB19.14 (rounded to the nearest 0.01, with 0.005 or above being rounded upwards) for the fractional shares for each BNP Paribas Basket US Stocks ELI, calculate as follows:

Fractional shares x (closing price of the worst performing stock on the expiry date/exchange rate), being  $0.4980 \text{ shares} \times (\text{USD}6.15/0.16)$  (rounded to 2 decimal places, with 0.005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives a cash payment of RMB191.40 (calculated as: RMB19.14 x10).

Total payout on investment

**If the settlement currency is USD:**

- The investor receives (i) the cash distribution amount of USD1,100 (being USD600 for the 1st observation period and USD100 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 1,330 shares of reference stock A on the settlement date + USD30.60 (the cash payment for the fractional shares).

Should the investor sell the asset amount of 1,330 shares on the settlement date, the investor would receive USD817.95 (133 shares for each BNP Paribas Basket US Stocks ELI x USD6.15 (the asset amount valued at the closing price of USD6.15 on the expiry date)) + USD3.06 (the cash payment for the fractional shares) upon expiry of each BNP Paribas Basket US Stocks ELI, and hence USD8,210.10 for 10 BNP Paribas Basket US Stocks ELIs (assuming the investor can sell the asset amount for USD6.15 per share on the settlement date).

**The investor will suffer a loss of 90.6899% (being  $[(USD1,100 + USD8,210.10 - USD100,000) / USD100,000] \times 100\%$ ) compared to the total issue price paid.**

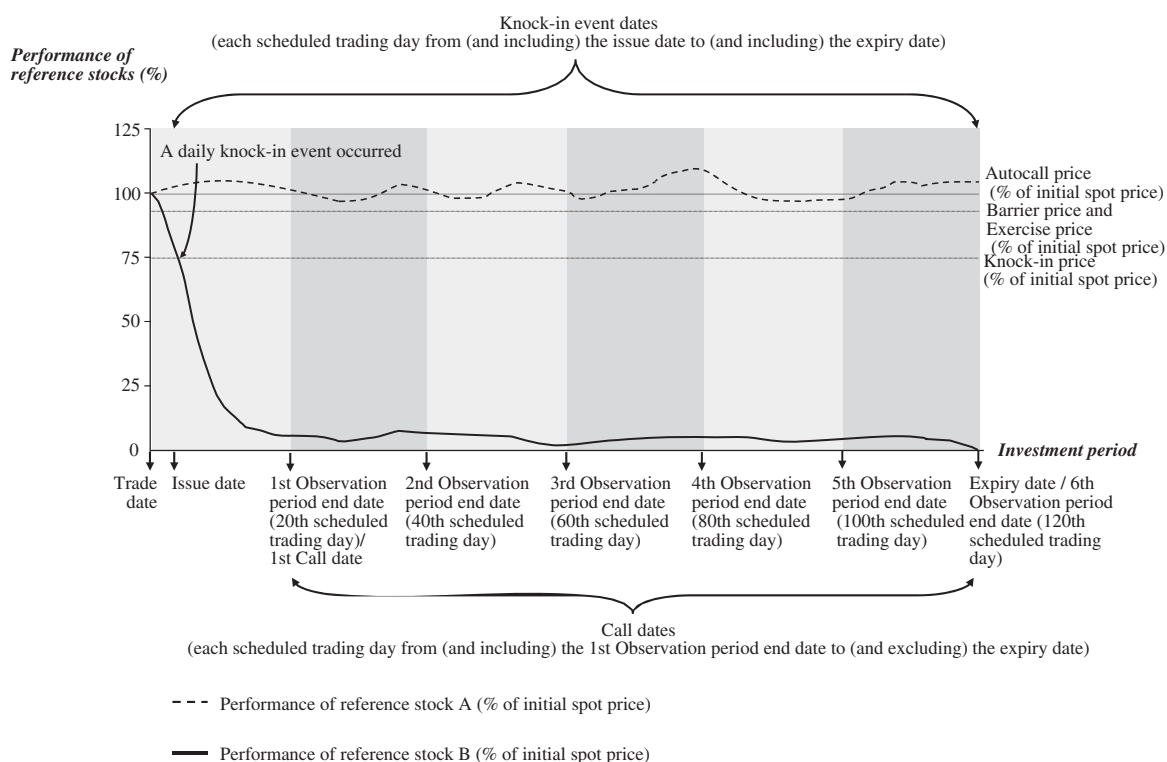
**If the settlement currency is RMB:**

- The investor receives (i) the cash distribution amount of RMB6,875 (being RMB3,750 for the 1st observation period and RMB625 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 1,330 shares of reference stock A on the settlement date + RMB191.40 (the cash payment for the fractional shares).

Should the investor sell the asset amount of 1,330 shares on the settlement date, the investor would receive RMB5,112.19 (133 shares for each BNP Paribas Basket US Stocks ELI x  $(USD6.15/0.16)$  (the asset amount valued at the closing price of USD6.15 on the expiry date)) + RMB19.14 (the cash payment for the fractional shares) upon expiry of each BNP Paribas Basket US Stocks ELI, and hence RMB51,313.30 for 10 BNP Paribas Basket US Stocks ELIs (assuming the investor can sell the asset amount for USD6.15 per share on the settlement date).

**The investor will suffer a loss of 90.6899% (being  $[(RMB6,875 + RMB51,313.30 - RMB625,000) / RMB625,000] \times 100\%$ ) compared to the total issue price paid.**

**Scenario 6 — The autocall condition is not satisfied, a daily knock-in event has occurred, certain potential cash distribution amounts payable and the closing price of the worst performing stock on the expiry date is USD0.00 (worst case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD81.00 and USD1.25 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD81.00}}{\text{USD78.85}} \times 100\% = 102.7267\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD1.25}}{\text{USD23.50}} \times 100\% = 5.3191\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.



Autocall condition is not satisfied

- The above diagram illustrates that the worst performing stock on each scheduled trading day from (and including) the 1st observation period end date to (but excluding) the expiry date (being reference stock B) closes below its autocall price.
- Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**If the settlement currency is USD:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**If the settlement currency is RMB:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of RMB375 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being RMB62,500 x 0.6000% = RMB375 (for each BNP Paribas Basket US Stocks ELI); or RMB375 x 10 BNP Paribas Basket US Stocks ELIs = RMB3,750 (for 10 BNP Paribas Basket US Stocks ELIs).

### **2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of RMB62.5 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being  $\text{RMB}62,500 \times 0.6000\% \times 0/20 + \text{RMB}62,500 \times 0.1000\% \times 20/20 = \text{RMB}62.5$  (for each BNP Paribas Basket US Stocks ELI); or  $\text{RMB}62.5 \times 10$  BNP Paribas Basket US Stocks ELIs =  $\text{RMB}625$  (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

- The above diagram illustrates that the worst performing stock on certain scheduled trading days from (and including) the issue date to (and including) the expiry date (being reference stock B) closes below its knock-in price. Therefore, a knock-in event has occurred.
- Assume that the worst performing stock on the expiry date (being reference stock B) closes at USD0.00 which is below its exercise price.

### **If the settlement currency is USD:**

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/exercise price of the worst performing stock as of the expiry date (i.e. reference stock B), being  $\text{USD}10,000/\text{USD}22.3250 = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x 10).

- However, the investor does not receive any cash payment for the fractional shares for each BNP Paribas Basket US Stocks ELI because:

Fractional shares x closing price of the worst performing stock on expiry date, being  $0.9283 \text{ shares} \times \text{USD}0.00 = 0.00$ .

**If the settlement currency is RMB:**

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/(exercise price of the worst performing stock as of the expiry date (i.e. reference stock B)/exchange rate), being  $\text{RMB}62,500 / (\text{USD}22.3250 / 0.16) = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x 10).

- However, the investor does not receive any cash payment for the fractional shares for each BNP Paribas Basket US Stocks ELI because:

Fractional shares x (closing price of the worst performing stock on expiry date/exchange rate), being  $0.9283 \text{ shares} \times (\text{USD}0.00 / 0.16) = 0.00$ .

Total payout on investment

**If the settlement currency is USD:**

- The investor receives (i) the cash distribution amount of USD1,100 (being USD600 for the 1st observation period and USD100 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares of reference stock B on the settlement date. The market value of such asset amount, calculated based on the closing price of reference stock B on the expiry date = 4,470 shares x USD0. If the closing price of reference stock B stays at USD0 on the settlement date, the investor suffers a loss of 98.90% (being  $[(\text{USD}1,100 + \text{USD}0 - \text{USD}100,000) / \text{USD}100,000] \times 100\%$ ) compared to the total issue price paid.

**If the settlement currency is RMB:**

- The investor receives (i) the cash distribution amount of RMB6,875 (being RMB3,750 for the 1st observation period and RMB625 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares of reference stock B on the settlement date. The market value of such asset amount, calculated based on the closing price of reference stock B on the expiry date = 4,470 shares x (USD0/0.16). If the closing price of reference stock B stays at USD0 on the settlement date, the investor suffers a loss of 98.90% (being  $[(\text{RMB}6,875 + \text{RMB}0 - \text{RMB}625,000) / \text{RMB}625,000] \times 100\%$ ) compared to the total issue price paid.

**Scenario 7 — Where an RMB disruption event occurs on the settlement date and continues to exist for twelve consecutive business days from the settlement date (RMB disruption scenario)**

Taking scenario 2 above, assuming that the settlement currency is RMB and the potential cash distribution amount for the 6th observation period is RMB375 for each BNP Paribas Basket US Stocks ELI. If an RMB disruption event occurs on the settlement date and continues to exist for twelve consecutive business days from the settlement date, investor will receive for each BNP Paribas Basket US Stocks ELI, by no later than the third business day after such twelfth business day, the payment of nominal amount (i.e. RMB62,500) together with the potential cash distribution amount for the 6th observation period (i.e. RMB375) in an equivalent amount in HKD calculated by the calculation agent acting in good faith and a commercially reasonable manner by converting such amount payable in RMB into HKD using the exchange rate as of such twelfth business day. Investor will therefore be exposed to the risk of fluctuation in the exchange rate of offshore RMB against HKD.

Assuming that the exchange rate for HKD per 1 offshore RMB prior to the occurrence of the RMB disruption event is 1.15 and RMB depreciates significantly against HKD following the occurrence of an RMB disruption event and the exchange rate as of the twelfth business day from the settlement date is 0.50, investor will suffer a loss of HKD40,868.75 for each BNP Paribas Basket US Stocks ELI in HKD terms as the equivalent amount in HKD paid to investor, being HKD31,437.50 (i.e. RMB62,875.00 x 0.50), is substantially less than the value of the relevant amount payable in RMB on the original payment date in HKD terms (calculated based on the exchange rate between offshore RMB and HKD prior to the occurrence of the RMB disruption event), being HKD72,306.25 (i.e. 62,875.00 x 1.15).

**Additional Scenario — if we become insolvent or default on our obligations**

- Assume that we become insolvent during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs or default on our obligations under the BNP Paribas Basket US Stocks ELIs.
- **Investor will have to rely on his distributor (and, if applicable, through its direct or indirect custodian(s)) to take action on his behalf to claim as an unsecured creditor of ours. In the worst case scenario, the investor may get nothing back and lose his entire investment amount regardless of the performance of the reference stocks in the reference basket.**

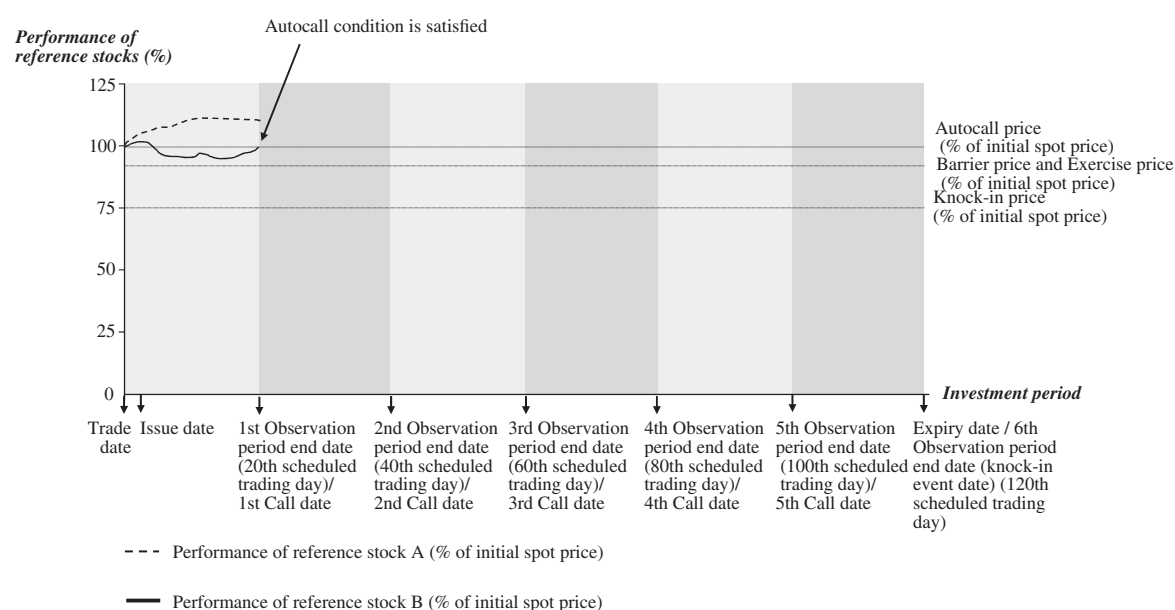
## B. Where the periodic call and at-expiry knock-in are applicable

In this example, suppose an investor bought 10 BNP Paribas Basket US Stocks ELIs (with periodic call and at-expiry knock-in) in the same series with the following terms:

Reference stock	Reference stock A	Reference stock B
Trade date	23 April 20xx	
Issue date	30 April 20xx	
Expiry date	31 October 20xx	
Settlement date	4 November 20xx	
Scheduled tenor (being the period from and including the issue date to and including the settlement date)	189 calendar days	
Investment period (being the period from and including the trade date to and including the expiry date)	192 calendar days	
Initial spot price of the reference stock on trade date	USD78.85	USD23.50
Issue price for each BNP Paribas Basket US Stocks ELI	USD10,000 for scenarios 1 to 4/ RMB62,500 for scenarios 3, 4 and 5 (100% of nominal amount)	
Nominal amount for each BNP Paribas Basket US Stocks ELI	USD10,000 for scenarios 1 to 4/ RMB62,500 for scenarios 3, 4 and 5	
Total issue price for 10 BNP Paribas Basket US Stocks ELIs	USD100,000 for scenarios 1 to 4/ RMB625,000 for scenarios 3, 4 and 5	
Total nominal amount for 10 BNP Paribas Basket US Stocks ELIs	USD100,000 for scenarios 1 to 4/ RMB625,000 for scenarios 3, 4 and 5	
Exercise price (95.00% of the initial spot price) (for the determination of settlement at expiry)	USD74.9075	USD22.3250
Autocall price (100.00% of the initial spot price) (for the determination of whether the autocall condition is satisfied)	USD78.8500	USD23.5000
Barrier price (95.00% of the initial spot price) (for the determination of the number of “days in” as used in the variable accrual formula)	USD74.9075	USD22.3250
Knock-in price (75.00% of the initial spot price) (for the determination of whether a knock-in event has occurred)	USD59.1375	USD17.6250
Method for calculating the potential cash distribution amount for each observation period	1st observation period: Fixed amount 2nd to 6th observation periods: Variable amount	
Number of scheduled trading days in each observation period	20	
Fixed cash distribution rate	0.6000%	
Day-in cash distribution rate	0.6000%	
Day-out cash distribution rate	0.1000%	
Settlement currency	United States dollars (“ <b>USD</b> ”) for all scenarios except scenario 5/Renminbi (“ <b>RMB</b> ”) for scenarios 3, 4 and 5	

Exchange rate (The mid-market exchange rate for USD per 1 offshore RMB on the expiry date)	0.16 (where the settlement currency is RMB)
Underlying currency	USD for all scenarios
Call dates	Each observation period end date in respect of the observation periods (except for the expiry date)
Knock-in event dates	The expiry date
Performance of reference stock	$\frac{\text{Closing price of the reference stock on a scheduled trading day}}{\text{Initial spot price of the reference stock}} \times 100\%$ <p>(rounded to the nearest 0.0001%, with 0.00005% or above being rounded upwards)</p>

### Scenario 1 — The autocall condition is satisfied (gain case scenario)



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD86.00 and USD23.50 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD86.00}}{\text{USD78.85}} \times 100\% = 109.0679\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD23.50}}{\text{USD23.50}} \times 100\% = 100.0000\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.



The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is satisfied — The above diagram illustrates that the worst performing stock on the 1st observation period end date (being reference stock B) closes at its autocall price. Hence, the autocall condition is satisfied on this call date and the BNP Paribas Basket US Stocks ELIs will be early terminated.

— Investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the early settlement date.

Potential cash distribution amount

**1st observation period:**

— Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

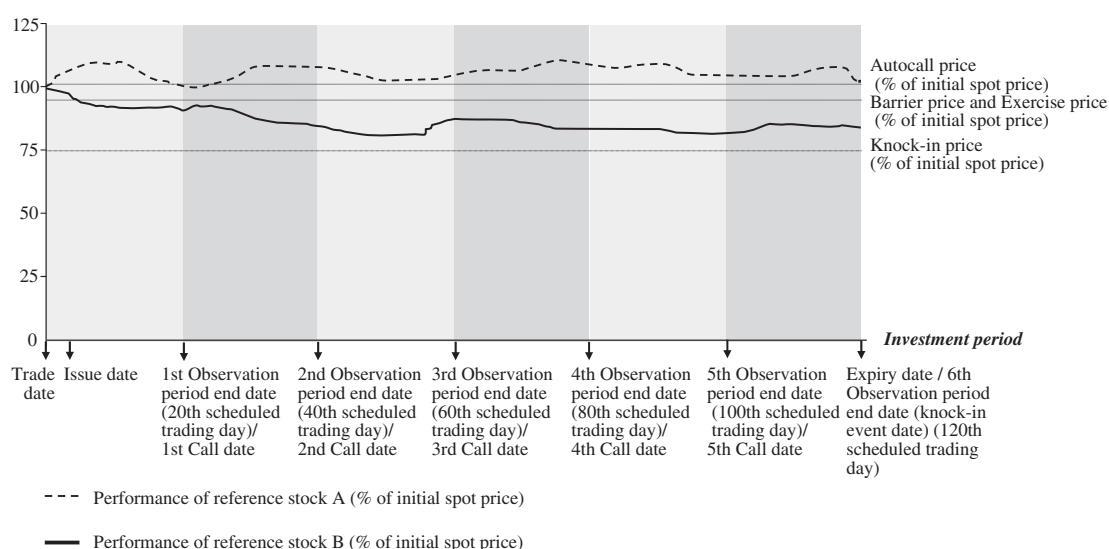
Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

Total payout on investment

— Investor receives a total payout of USD100,600 (being USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period)), which is equivalent to a gain of 0.6% (being  $[(USD100,600 - USD100,000) / USD100,000] \times 100\%$ ) compared to the total issue price paid).

**Scenario 2 — The autocall condition is not satisfied, an at-expiry knock-in event has not occurred and certain potential cash distribution amounts payable (gain case scenario)**

Performance of reference stocks (%)



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD78.00 and USD21.00 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD78.00}}{\text{USD78.85}} \times 100\% = 98.9220\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD21.00}}{\text{USD23.50}} \times 100\% = 89.3617\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied

- The above diagram illustrates that the worst performing stock on each call date (being reference stock B) closes below its autocall price.
- Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

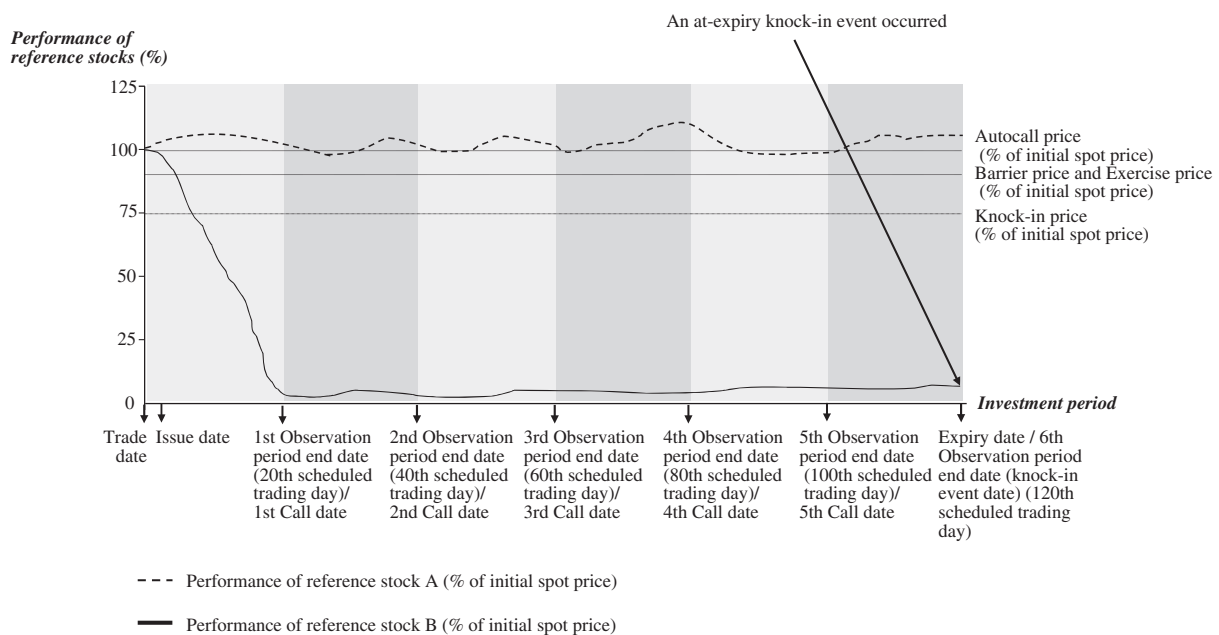
Settlement amount on the settlement date

- The above diagram illustrates that the worst performing stock on the expiry date (being reference stock B) closes above its knock-in price. Therefore, a knock-in event has not occurred.

- Despite the worst performing stock closes below its exercise price on the expiry date (being reference stock B), since a knock-in event has not occurred, the investor receives the nominal amount of USD10,000 for each BNP Paribas Basket US Stocks ELI (or USD100,000 for 10 BNP Paribas Basket US Stocks ELIs) on the settlement date. Investor also receives the potential cash distribution amount for the 6th observation period described above.

**Total payout on investment** — Investor receives a total payout of USD101,100 (being: USD100,000 (nominal amount) + USD600 (potential cash distribution amount for the 1st observation period) + USD100 x 5 (potential cash distribution amount for each of the 2nd to the 6th observation periods)), which is equivalent to a gain of 1.1% (being  $[(USD101,100 - USD100,000) / USD100,000] \times 100\%$ ) compared to the total issue price paid.

**Scenario 3 — The autocall condition is not satisfied, an at-expiry knock-in event has occurred and certain potential cash distribution amounts payable (loss case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD79.95 and USD1.25 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{USD79.95}{USD78.85} \times 100\% = 101.3951\%$$

$$\text{Performance of reference stock B} = \frac{USD1.25}{USD23.50} \times 100\% = 5.3191\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied

- The above diagram illustrates that the worst performing stock on each call date (being reference stock B) closes below its autocall price.
- Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**If the settlement currency is USD:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**If the settlement currency is RMB:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of RMB375 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being RMB62,500 x 0.6000% = RMB375 (for each BNP Paribas Basket US Stocks ELI); or RMB375 x 10 BNP Paribas Basket US Stocks ELIs = RMB3,750 (for 10 BNP Paribas Basket US Stocks ELIs).

### 2nd to 6th observation periods:

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of RMB62.5 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being  $\text{RMB}62,500 \times 0.6000\% \times 0/20 + \text{RMB}62,500 \times 0.1000\% \times 20/20 = \text{RMB}62.5$  (for each BNP Paribas Basket US Stocks ELI); or  $\text{RMB}62.5 \times 10$  BNP Paribas Basket US Stocks ELIs =  $\text{RMB}625$  (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

- The above diagram illustrates that the worst performing stock on the expiry date (being reference stock B) closes below its knock-in price. Therefore, a knock-in event has occurred.
- Assume that the worst performing stock on the expiry date (being reference stock B) closes at USD1.80 which is below its exercise price.

### If the settlement currency is USD:

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/exercise price of the worst performing stock as of the expiry date (i.e. reference stock B), being  $\text{USD}10,000/\text{USD}22.3250 = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x 10).

- Investor also receives a cash payment of USD1.67 (rounded to the nearest 0.01, with 0.005 or above being rounded upwards) for the fractional shares for each BNP Paribas Basket US Stocks ELI, calculate as follows:

Fractional shares x closing price of the worst performing stock on the expiry date, being 0.9283 shares x USD1.80 (rounded to 2 decimal places, with 0.005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives a cash payment of USD16.70 (calculated as:  $\text{USD}1.67 \times 10$ ).

**If the settlement currency is RMB:**

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/(exercise price of the worst performing stock as of the expiry date (i.e. reference stock B)/exchange rate), being  $\text{RMB}62,500/(\text{USD}22.3250/0.16) = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x10).

- Investor also receives a cash payment of RMB10.44 (rounded to the nearest 0.01, with 0.005 or above being rounded upwards) for the fractional shares for each BNP Paribas Basket US Stocks ELI, calculate as follows:

Fractional shares x (closing price of the worst performing stock on the expiry date/exchange rate), being 0.9283 shares x (USD1.80/0.16) (rounded to 2 decimal places, with 0.005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives a cash payment of RMB104.40 (calculated as: RMB10.44 x10).

Total payout on investment

**If the settlement currency is USD:**

- The investor receives (i) the cash distribution amount of USD1,100 (being USD600 for the 1st observation period and USD100 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares on the settlement date + USD16.70 (the cash payment for the fractional shares).

Should the investor sell the asset amount of 4,470 shares on the settlement date, the investor would receive USD804.60 (447 shares for each BNP Paribas Basket US Stocks ELI x USD1.80 (the asset amount valued at the closing price of USD1.80 on the expiry date)) + USD1.67 (the cash payment for the fractional shares) upon expiry of each BNP Paribas Basket US Stocks ELI, and hence USD8,062.70 for 10 BNP Paribas Basket US Stocks ELIs (assuming the investor can sell the asset amount for USD1.80 per share on the settlement date).

**The investor suffers a loss of 90.8373% (being  $[(\text{USD}1,100 + \text{USD}8,062.70 - \text{USD}100,000)/ \text{USD}100,000] \times 100\%$ ) compared to the total issue price paid.**



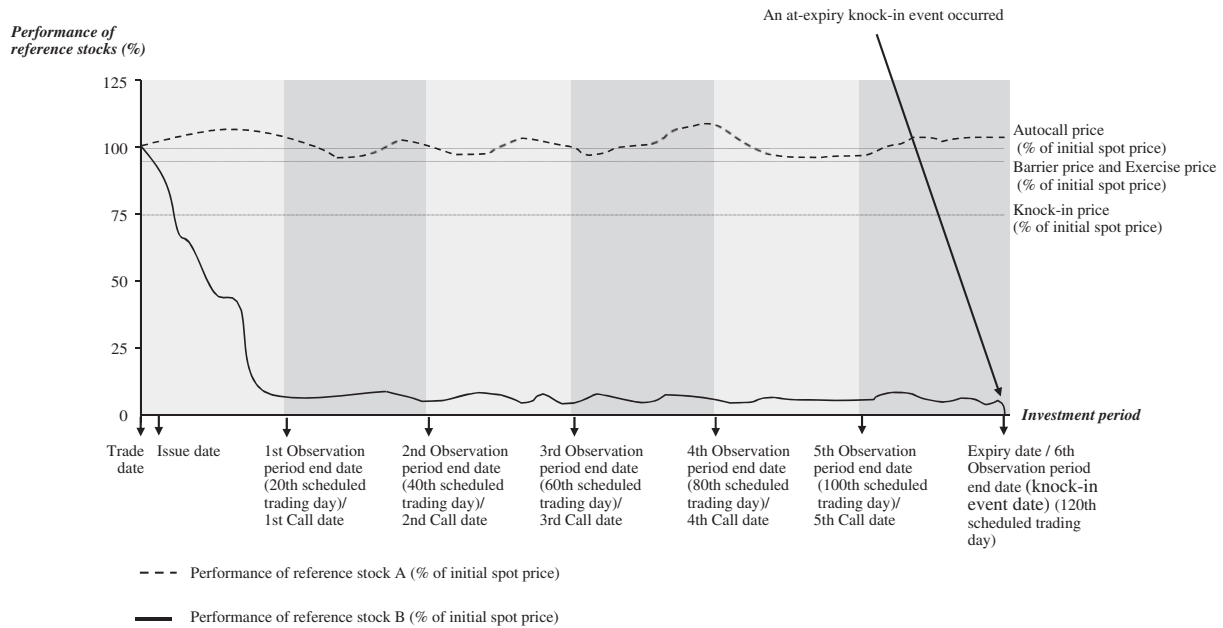
**If the settlement currency is RMB:**

- The investor receives (i) the cash distribution amount of RMB6,875 (being RMB3,750 for the 1st observation period and RMB625 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares on the settlement date + RMB104.40 (the cash payment for the fractional shares).

Should the investor sell the asset amount of 4,470 shares on the settlement date, the investor would receive RMB5,028.75 (447 shares for each BNP Paribas Basket US Stocks ELI x (USD1.80/0.16) (the asset amount valued at the closing price of USD1.80 on the expiry date)) + RMB10.44 (the cash payment for the fractional shares) upon expiry of each BNP Paribas Basket US Stocks ELI, and hence RMB50,391.90 for 10 BNP Paribas Basket US Stocks ELIs (assuming the investor can sell the asset amount for USD1.80 per share on the settlement date).

**The investor suffers a loss of 90.8373% (being [(RMB6,875 + RMB50,391.90) - RMB625,000]/RMB625,000) x 100%) compared to the total issue price paid.**

**Scenario 4 — The autocall condition is not satisfied, an at-expiry knock-in event has occurred, certain potential cash distribution amounts payable and the closing price of the worst performing stock on the expiry date is USD0.00 (worst case scenario)**



- Which is the worst performing stock on the 1st observation period end date?

Assume that the closing price of reference stock A and reference stock B on the 1st observation period end date is USD81.00 and USD1.25 respectively. Hence the performance of each reference stock in the reference basket on such date is calculated as follows:

$$\text{Performance of reference stock A} = \frac{\text{USD81.00}}{\text{USD78.85}} \times 100\% = 102.7267\%$$

$$\text{Performance of reference stock B} = \frac{\text{USD1.25}}{\text{USD23.50}} \times 100\% = 5.3191\%$$

As reference stock B has the lowest performance, it will be the worst performing stock on the 1st observation period end date.

The worst performing stock for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Autocall condition is not satisfied

- The above diagram illustrates that the worst performing stock on each call date (being reference stock B) closes below its autocall price.
- Hence, the autocall condition is not satisfied on any call date and the BNP Paribas Basket US Stocks ELIs will not be early terminated.

Potential cash distribution amount

**If the settlement currency is USD:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of USD60 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being USD10,000 x 0.6000% = USD60 (for each BNP Paribas Basket US Stocks ELI); or USD60 x 10 BNP Paribas Basket US Stocks ELIs = USD600 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of USD10 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being USD10,000 x 0.6000% x 0/20 + USD10,000 x 0.1000% x 20/20 = USD10 (for each BNP Paribas Basket US Stocks ELI); or USD10 x 10 BNP Paribas Basket US Stocks ELIs = USD100 (for 10 BNP Paribas Basket US Stocks ELIs).

**If the settlement currency is RMB:**

**1st observation period:**

- Investor receives a fixed potential cash distribution amount of RMB375 for the 1st observation period on the 1st cash distribution payment date, calculated as follows:

Nominal amount x fixed cash distribution rate, being RMB62,500 x 0.6000% = RMB375 (for each BNP Paribas Basket US Stocks ELI); or RMB375 x 10 BNP Paribas Basket US Stocks ELIs = RMB3,750 (for 10 BNP Paribas Basket US Stocks ELIs).

**2nd to 6th observation periods:**

- The above diagram illustrates that the worst performing stock on each scheduled trading day during each of the 2nd to the 6th observation periods (being reference stock B) closes below its barrier price. A variable potential cash distribution amount (calculated by reference to the day-out cash distribution rate) is payable for each of the 2nd to the 6th observation periods.
- Investor receives a potential cash distribution amount of RMB62.5 for each of the 2nd to the 6th observation periods on each of the 2nd to the 6th cash distribution payment dates, calculated as follows:

Nominal amount x day-in cash distribution rate x days in/total days + nominal amount x day-out cash distribution rate x days out/total days, being  $\text{RMB}62,500 \times 0.6000\% \times 0/20 + \text{RMB}62,500 \times 0.1000\% \times 20/20 = \text{RMB}62.5$  (for each BNP Paribas Basket US Stocks ELI); or  $\text{RMB}62.5 \times 10$  BNP Paribas Basket US Stocks ELIs =  $\text{RMB}625$  (for 10 BNP Paribas Basket US Stocks ELIs).

Settlement amount on the settlement date

- Assume that the worst performing stock on the expiry date (being reference stock B) closes at USD0.00 which is below its knock-in price. Therefore, a knock-in event has occurred.

**If the settlement currency is USD:**

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/exercise price of the worst performing stock as of the expiry date (i.e. reference stock B), being  $\text{USD}10,000/\text{USD}22.3250 = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x 10).

- However, the investor does not receive any cash payment for the fractional shares for each BNP Paribas Basket US Stocks ELI because:

Fractional shares x closing price of the worst performing stock on expiry date, being  $0.9283 \text{ shares} \times \text{USD}0.00 = 0.00$ .

**If the settlement currency is RMB:**

- Investor receives the asset amount of 447 shares (rounded down to the nearest whole number) of reference stock B (being the worst performing stock as of the expiry date) for each BNP Paribas Basket US Stocks ELI, calculated as follows:

Nominal amount/(exercise price of the worst performing stock as of the expiry date (i.e. reference stock B)/exchange rate), being  $\text{RMB}62,500/(\text{USD}22.3250/0.16) = 447.9283$  (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards).

Hence, for 10 BNP Paribas Basket US Stocks ELIs, investor receives 4,470 shares of reference stock B (being the worst performing stock as of the expiry date) (calculated as: 447 shares x 10).

- However, the investor does not receive any cash payment for the fractional shares for each BNP Paribas Basket US Stocks ELI because:

Fractional shares x (closing price of the worst performing stock on expiry date/exchange rate), being  $0.9283 \text{ shares} \times (\text{USD}0.00/0.16) = 0.00$ .

Total payout on investment

**If the settlement currency is USD:**

- The investor receives (i) the cash distribution amount of USD1,100 (being USD600 for the 1st observation period and USD100 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares of reference stock B on the settlement date. The market value of such asset amount, calculated based on the closing price of reference stock B on the expiry date = 4,470 shares x USD0. If the closing price of reference stock B stays at USD0 on the settlement date, the investor suffers a loss of 98.90% (being  $[(\text{USD}1,100 + \text{USD}0 - \text{USD}100,000)/\text{USD}100,000] \times 100\%$ ) compared to the total issue price paid.

**If the settlement currency is RMB:**

- The investor receives (i) the cash distribution amount of RMB6,875 (being RMB3,750 for the 1st observation period and RMB625 for each of the 2nd to 6th observation periods), and (ii) the asset amount of 4,470 shares of reference stock B on the settlement date. The market value of such asset amount, calculated based on the closing price of reference stock B on the expiry date = 4,470 shares x (USD0/0.16). If the closing price of reference stock B stays at USD0 on the settlement date, the investor suffers a loss of 98.90% (being  $[(\text{RMB}6,875 + \text{RMB}0 - \text{RMB}625,000)/\text{RMB}625,000] \times 100\%$ ) compared to the total issue price paid.

**Scenario 5 — Where an RMB disruption event occurs on the settlement date and continues to exist for twelve consecutive business days from the settlement date (RMB disruption scenario)**

Taking scenario 2 above, assuming that the settlement currency is RMB and the potential cash distribution amount for the 6th observation period is RMB62.5 for each BNP Paribas Basket US Stocks ELI. If an RMB disruption event occurs on the settlement date and continues to exist for twelve consecutive business days from the settlement date, investor will receive for each BNP Paribas Basket US Stocks ELI, by no later than the third business day after such twelfth business day, the payment of nominal amount (i.e. RMB62,500) together with the potential cash distribution amount for the 6th observation period (i.e. RMB62.5) in an equivalent amount in HKD calculated by the calculation agent acting in good faith and a commercially reasonable manner by converting such amount payable in RMB into HKD using the exchange rate as of such twelfth business day. Investor will therefore be exposed to the risk of fluctuation in the exchange rate of offshore RMB against HKD.

Assuming that the exchange rate for HKD per 1 offshore RMB prior to the occurrence of the RMB disruption event is 1.15 and RMB depreciates significantly against HKD following the occurrence of an RMB disruption event and the exchange rate as of the twelfth business day from the settlement date is 0.50, investor will suffer a loss of HKD40,665.63 for each BNP Paribas Basket US Stocks ELI in HKD terms as the equivalent amount in HKD paid to investor, being HKD31,281.25 (i.e. RMB62,562.50 x 0.50), is substantially less than the value of the relevant amount payable in RMB on the original payment date in HKD terms (calculated based on the exchange rate between offshore RMB and HKD prior to the occurrence of the RMB disruption event), being HKD71,946.88 (i.e. RMB62,562.50 x 1.15).

**Additional Scenario — if we become insolvent or default on our obligations**

- Assume that we become insolvent during the scheduled tenor of the BNP Paribas Basket US Stocks ELIs or default on our obligations under the BNP Paribas Basket US Stocks ELIs.
  
- **Investor will have to rely on his distributor (and, if applicable, through its direct or indirect custodian(s)) to take action on his behalf to claim as an unsecured creditor of ours. In the worst case scenario, the investor may get nothing back and lose his entire investment amount regardless of the performance of the reference stocks in the reference basket.**

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