

SCHEDULE “B” ABOVE REFERRED TO

DBS BANK (HONG KONG) LIMITED

FORM OF PREFERENCE SHARES
AND FORM OF PREFERENCE SHARE PRICING TERMS

Preference Shares

The Preference Shares shall have the rights and be subject to the restrictions set out in **this Schedule “B”**, as supplemented by the applicable Pricing Terms.

(1) **Definitions and Interpretation**

- (a) **Definitions.** In **this Schedule “B”**, unless there is something in the subject or context inconsistent therewith:

“**Additional Amounts**” has the meaning given to it in **paragraph (9) of Schedule “B”**;

“**Additional Tier 1 Capital Securities**” means any instrument, security or other obligation issued or entered into by the Company that constitutes Additional Tier 1 capital (or its equivalent) of the Company on an unconsolidated basis pursuant to the relevant requirements set out in the Capital Rules or that ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Preference Shares;

“**Board**” means the Directors (as defined herein) of the Company or (as the context may require) the majority present and voting at a meeting of Directors;

“**Business Day**” means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in the Specified Currency as set out in the applicable Pricing Terms and are open for general business in Hong Kong;

“**Capital Rules**” means The Banking (Capital) Rules (Chapter 155L of the Laws of Hong Kong) or any supervisory guidance made by the Monetary Authority in relation thereto, in each case as amended, supplemented or replaced from time to time;

“ Companies Ordinance ”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or replaced from time to time and every other statute (including any orders, regulations or other subordinate legislation made pursuant thereto) incorporated therewith or substituted thereof, and in the case of any such substitution the references in this Schedule “B” to the provisions of the Companies Ordinance shall be read as references to the provisions substituted therefor in the new ordinance;
“ Conversion ”	has the meaning given to it in paragraph (5)(a) of Schedule “B” ;
“ Conversion Price ”	means the net tangible assets per Ordinary Share at the latest month end prior to Conversion expressed in the Specified Currency as set out in the applicable Pricing Terms and as determined by an independent party, appointed by the Company, according to generally accepted accounting principles and standards in Hong Kong, subject to a floor per Ordinary Share as set out in the applicable Pricing Terms;
“ Converted ”	has the meaning given to it in paragraph (5)(a) of Schedule “B” ;
“ Directors ”	means the persons holding office as directors for the time being of the Company;
“ Distributable Items ”	means, at any time, the amounts for the time being available to the Company for distribution as a dividend in compliance with Section 297 of the Companies Ordinance (the “ Available Amounts ”) as at the date of the Company’s latest audited financial statements (which shall include, without limitation, net profits, retained earnings from prior years and reserves which may be distributed to shareholders of the Company); provided that if the Board reasonably believes that the Available Amounts as at any Distributable Items Determination Date will be:

- (i) lower than the Available Amounts as at the date of the Company’s latest audited financial statements; and
- (ii) insufficient to pay the Dividend, or distributions or other payments (save for redemption payments) on any Additional Tier 1 Capital Securities scheduled to be paid during the Company’s then-current fiscal year,

then a Director shall be required to provide a certificate, on or prior to such Distributable Items Determination Date, to the Holders which sets out the revised Available Amounts as at such Distributable Items Determination Date (which certificate shall be binding absent manifest error) and “**Distributable Items**” as at such Distributable Items Determination Date for the purposes of such Dividend shall mean the revised Available Amounts as set forth in such certificate;

“Distributable Items Determination Date”

means, with respect to any Dividend Date, the day falling five Business Days prior to that Dividend Date;

“Dividend”

means the non-cumulative preferential cash dividends with respect to the Preference Shares as described in **paragraph (2) of Schedule “B”**;

“Dividend Date”

shall have the meaning set out in the applicable Pricing Terms;

“Dividend Period”

means the period from (and including) the Issue Date to (but excluding) the first Dividend Date and each successive period thereafter from (and including) a Dividend Date to (but excluding) the next succeeding Dividend Date or the date of an Optional Redemption, a Tax Redemption or a Regulatory Redemption, as the case may be;

“First Call Date”

means the date falling five years after the Issue Date;

“Holder”	means each Person registered on the Register as the shareholder holding the relevant class of Preference Share(s) at the relevant time;
“Hong Kong Bail-in Power”	means any power which may exist from time to time under the Financial Institutions (Resolution) Ordinance (the “ Resolution Ordinance ”), or any other laws, regulations, rules or requirements relating to the resolution of financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Company, as the same may be amended from time to time (whether pursuant to the Resolution Ordinance or otherwise), and pursuant to which obligations of a licensed bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified and/or converted into shares or other securities or obligations of the obligor or any other person;
“Hong Kong Resolution Authority”	means any authority with the ability to exercise a Hong Kong Bail-in Power in relation to the Company from time to time;
“Issue Date”	means the date on which the Preference Shares are first issued and as set out in the applicable Pricing Terms;
“Liquidation Distribution”	means, with respect to any Preference Share, upon a dissolution or winding-up of the Company: <ul style="list-style-type: none"> (i) the then prevailing Liquidation Preference; together with (ii) subject to paragraphs (2)(e) and (5) of Schedule “B”, an amount equal to any accrued but unpaid Dividend (whether or not resolved

for distribution) in respect of that Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the date of the dissolution or winding-up falls and ending on (but excluding) the date of actual payment;

“Liquidation Preference”

means, initially, the sum per Preference Share set out in the applicable Pricing Terms, as reduced by any applicable Conversion(s) or exercise of any Hong Kong Bail-in Powers from time to time;

“Monetary Authority”

means the Monetary Authority appointed under Section 5A of the Exchange Fund Ordinance (Chapter 66 of the Laws of Hong Kong) or any successor thereto or such other authority having primary bank supervisory authority with respect to the Company from time to time;

“Non-Viability Trigger Event”

means the earlier of:

- (i) the Monetary Authority notifying the Company in writing that it is of the opinion that a conversion is necessary, without which the Company would become non-viable; and
- (ii) the Monetary Authority notifying the Company in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Company would become non-viable;

“Non-Viability Trigger Event Conversion Amount”

means the aggregate amount of the then prevailing Liquidation Preference of the relevant class of Preference Shares to be Converted for the Non-Viability Trigger Event to cease to continue. For the avoidance

of doubt, the Conversion will be effected in full even in the event that the amount Converted is not sufficient for the Non-Viability Trigger Event to cease to continue.

“Non-Viability Trigger Event Notice”

means the notice which shall be given by the Company following the occurrence of a Non-Viability Trigger Event, to the Holders, specifying that a Non-Viability Trigger Event has occurred, and which shall state with reasonable detail the nature of the relevant Non-Viability Trigger Event, the Non-Viability Trigger Event Conversion Amount, the computation of the Conversion Price and the number of Ordinary Shares (as defined below) to which the Holders would be entitled to;

“Ordinary Shares”

means ordinary shares in the share capital of the Company;

“Person”

means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature;

“Preference Shares”

means the non-cumulative, redeemable, perpetual preference shares, with an initial liquidation preference as set out in the applicable Pricing Terms, of the Company and having the rights and subject to the restrictions set out in **this Schedule “B”** (as such Schedule may from time to time be amended, supplemented or replaced in accordance with the provisions hereof), as supplemented by the applicable Pricing Terms;

“Pricing Terms”

means the applicable pricing terms specifying the relevant issue details in relation to a class of Preference Shares as confirmed by the Board;

“Redemption Amount”	<p>means, with respect to any Preference Share to be redeemed pursuant to this Schedule “B”, an amount equal to:</p> <ul style="list-style-type: none"> (i) the then prevailing Liquidation Preference; together with (ii) subject to paragraphs (2)(e) and (5) of Schedule “B”, an amount equal to any accrued but unpaid Dividend (whether or not resolved by the Board for distribution) in respect of that Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the relevant redemption falls and ending on (but excluding) the relevant Redemption Date;
“Redemption Conditions”	<p>means:</p> <ul style="list-style-type: none"> (i) the Company has obtained the prior written approval of the Monetary Authority, if then required, for the redemption of the Preference Shares; and (ii) the redemption is permitted under the Companies Ordinance;
“Redemption Date”	<p>means such date as may be notified to the Holders pursuant to paragraph (4)(b), (4)(c) or (4)(d) of Schedule “B” as being the date for redemption of the Preference Shares;</p>
“Register”	<p>means, with respect to the relevant class of Preference Shares, the register of members to be maintained as required by section 627 of the Companies Ordinance;</p>
“Regulatory Event”	<p>means the Preference Shares have ceased or will cease (i) to qualify, in whole or in part, as Additional Tier 1 Capital Securities; or (ii) to be included, in whole or in part, in the calculation of the Company’s capital adequacy ratio, for the purposes of the Capital Rules;</p>
“Relevant Proportion”	<p>means:</p>

- (i) in relation to any partial payment of a Dividend, the amount of Distributable Items as at the relevant Distributable Items Determination Date divided by the sum of:
 - (A) the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during the Company's then-current fiscal year; and
 - (B) the sum of the full amount of any dividends or other distribution or payments in respect of all other Additional Tier 1 Capital Securities originally scheduled to be paid (whether or not paid in whole or part) during the Company's then-current fiscal year,

converted where necessary into the same currency in which Distributable Items are calculated by the Company; and

- (ii) in relation to any partial payment of any Liquidation Distribution, the total amount available for any such payment and for making any liquidation payment on all other Additional Tier 1 Capital Securities divided by the sum of:
 - (A) the Liquidation Distribution before any reduction or abatement; and
 - (B) the amount of the liquidation payment before any reduction or abatement on all other Additional Tier 1 Capital Securities,

converted where necessary into the same currency in which liquidation payments are made to creditors of the Company;

“Suspension Period”

means the period commencing on the date of a Non-Viability Trigger Event Notice and ending on the date on which the Company has reflected the relevant Conversion; and

“Tax Event”

means that on the occasion of the next Dividend payment, the Company has or will become obliged to pay Additional Amounts (as defined herein) or any other taxes in relation to the Preference Shares as a result of:

- (i) any change in, or amendment to, any law or regulation of Hong Kong or any political subdivision or any authority thereof or therein having power to tax; or
- (ii) any change in the application or official interpretation of any law or regulation by any relevant body in Hong Kong,

in each case after the Issue Date, and such obligations cannot be avoided by the Company taking reasonable measures available to it.

(b) Construction and References. In this Schedule “B”:

- (i) words denoting the singular number include the plural number and vice versa;
- (ii) words denoting the masculine gender include the feminine and neuter genders;
- (iii) “in writing” and “written” include printing, lithography and other modes of representing or reproducing words in visible form;
- (iv) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (v) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

- (vi) headings are inserted for reference only and shall be ignored in construing **this Schedule “B”**.

(2) **Dividends**

- (a) **Non-Cumulative Preferential Dividends.** Subject to **paragraphs (2)(c) and (e) of Schedule “B”** below, the Preference Shares shall entitle the Holder thereof to receive Dividends on the prevailing Liquidation Preference thereof calculated on the basis set out in **paragraph (2)(b) of Schedule “B”** below. Dividends shall be payable in arrear on the Dividend Date in each year and in each case when, as and if resolved by the Board.

No Holder shall have any claim in respect of any Dividend or part thereof not due or payable pursuant to **paragraphs (2)(c) and (e) of Schedule “B”** below. Accordingly, such amount shall not accumulate for the benefit of Holders or entitle Holders to any claim in respect thereof against the Company.

- (b) **Dividend Rate.** Each Preference Share in issue shall, subject to **paragraph (2)(a) of Schedule “B”** above, entitle the Holder thereof to receive out of the Distributable Items, Dividends (when, as and if resolved by the Board) at a rate per annum as set out in the applicable Pricing Terms, determined, in respect of a period of less than one year, on the basis of the day count fraction as set out in the applicable Pricing Terms. Payment will be made to the Holders on the Register as at any date selected by the Board, being a date falling not less than five Business Days prior to the relevant Dividend Date.
- (c) **Dividends at Board’s Discretion.** Any decision regarding the payment of any Dividend shall be at the sole and absolute discretion of the Board. No Dividend or any part thereof shall become “**due**” or “**payable**” on any Dividend Date for the purposes of this **Schedule “B”** unless the Board has resolved to distribute such Dividend or part thereof with respect to that Dividend Date.
- (d) **Ranking.** The Preference Shares shall constitute direct, unsecured and subordinated obligations of the Company, and rank without any preference among themselves and *pari passu* with all other Additional Tier 1 Capital Securities and in priority to instruments eligible for inclusion in Common Equity Tier 1 capital (as defined in the Capital Rules) of the Bank. The Company may from time to time and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, senior to, *pari passu* with or junior to:

- (i) the Preference Shares; or
- (ii) any other Additional Tier 1 Capital Securities,

in each case without the prior approval of the Holders and the holders of all other Additional Tier 1 Capital Securities and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and

other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the Preference Shares.

(e) **Dividend Restrictions.** Dividends may only be paid out of Distributable Items. Notwithstanding that the Board may have resolved to distribute any Dividend on any Dividend Date or that resources are legally available to pay Dividends, the Company shall not be obliged to pay, and shall not pay, any Dividend on that Dividend Date (and such Dividend shall not be considered to be “**due**” or “**payable**” for the purposes of **this Schedule “B”**) if:

- (i) the Dividend scheduled to be paid, together with any dividends, distributions or other payments (save for redemption payments) scheduled to be paid or made on any other Additional Tier 1 Capital Securities, during the Company’s then-current fiscal year would exceed the Distributable Items as at the relevant Distributable Items Determination Date;
- (ii) the payment of such Dividend would cause a breach of the minimum capital adequacy ratio requirements as set out in the Capital Rules; or
- (iii) the Company is prevented by the Capital Rules from making payment in full.

If a Dividend will not be paid (in whole or in part) by reason of the provisions of **paragraphs (2)(c) or (2)(e) of Schedule “B”**, the Company shall notify the Holders as soon as possible and any such non-payment does not constitute an event of default and does not entitle Holders to petition for the insolvency or winding up of the Company.

(f) **No Further Rights to Participate in Profits.** Save as set out in **this Schedule “B”**, the Preference Shares shall not confer any right or claim as regards participation in the profits of the Company.

(3) **Liquidation Distributions**

(a) **Rights Upon Liquidation.** In the event of the commencement of any dissolution or winding-up of the Company before any redemption of the Preference Shares, the Preference Shares shall rank:

- (i) subordinated in right of payment to the prior payment in full of, and to the claims in respect of, all the Company’s other liabilities (including all deposits, other liabilities of the Company to general creditors and any subordinated debt instruments of the Company that rank, by its terms or by operation of law, senior to the Preference Shares);
- (ii) without any preference among themselves and *pari passu* in right of payment to, and to all claims in respect of, other Additional Tier 1 Capital Securities; and

- (iii) senior in right of payment to, and to all claims in respect of, instruments eligible for inclusion in Common Equity Tier 1 capital (as defined in the Capital Rules) of the Company.

On such a dissolution or winding-up, each Preference Share shall be entitled to receive an amount equal to the Liquidation Distribution in the Specified Currency as set out in the applicable Pricing Terms.

- (b) **Pro Rata Liquidation Distribution.** If, upon any such dissolution or winding-up, the amounts available for payment are insufficient to cover the Liquidation Distribution and any liquidation payment of other Additional Tier 1 Capital Securities, but there are funds available for payment so as to allow payment of part of the Liquidation Distribution, then each Holder shall be entitled to receive the Relevant Proportion of the prevailing Liquidation Distribution.
- (c) **No Further Rights to Participate in Assets.** After payment of the Liquidation Distribution (or the Relevant Proportion thereof), Holders will have no further right or claim to any of the remaining assets of the Company. Save as set out in **this Schedule “B”**, the Preference Shares shall not confer any right or claim as regards participation in the assets of the Company.

(4) **Redemption**

- (a) **No Fixed Redemption Date or Redemption at Holders’ Option.** The Preference Shares are perpetual securities in respect of which there is no fixed redemption date. No Person has a right to, or may, require the Company to redeem any Preference Share of which such Person is the Holder.
- (b) **Optional Redemption.** Subject to satisfaction of the Redemption Conditions, the Preference Shares may be redeemed, at the option of the Company, in whole but not in part, at any time on or after the First Call Date at the Redemption Amount upon not less than five Business Days’ notice to the Holders (which notice shall be irrevocable), specifying:
 - (i) the Redemption Date; and
 - (ii) the Redemption Amount.

On the Redemption Date specified in such notice, the Company shall be bound to redeem the Preference Shares by payment of the Redemption Amount, at all times in accordance with and subject to the Companies Ordinance.

- (c) **Tax Redemption.** If at any time a Tax Event has occurred and is continuing, then subject to satisfaction of the Redemption Conditions, the Preference Shares may be redeemed, at the option of the Company, in whole but not in part, at the Redemption Amount upon not less than five Business Days’ notice to the Holders (which notice shall be irrevocable) specifying:
 - (i) the Redemption Date; and
 - (ii) the Redemption Amount.

On the Redemption Date specified in such notice, the Company shall be bound to redeem the Preference Shares by payment of the Redemption Amount in accordance with and subject to the Companies Ordinance.

- (d) **Regulatory Redemption.** If at any time a Regulatory Event has occurred and is continuing, then subject to satisfaction of the Redemption Conditions, the Preference Shares may be redeemed, at the option of the Company, in whole but not in part, at the Redemption Amount upon not less than five Business Days' notice to the Holders (which notice shall be irrevocable) specifying:

- (i) the Redemption Date; and
- (ii) the Redemption Amount.

On the Redemption Date specified in such notice, the Company shall be bound to redeem the Preference Shares by payment of the Redemption Amount in accordance with and subject to the Companies Ordinance.

- (e) **Payments.** Payments in respect of the amount due on redemption of a Preference Share shall be made against surrender of the share certificate(s) of the relevant Preference Shares.

(5) **Loss Absorption**

- (a) **Conversion on a Non-Viability Trigger Event.** If a Non-Viability Trigger Event occurs and is continuing, the Company shall deliver, a Non-Viability Trigger Event Notice to the Holders. Following the issue of a Non-Viability Trigger Event Notice, the Company shall, irrevocably and without the need for the consent of the Holders, cancel any accrued but unpaid Dividend in respect of each relevant class of Preference Share and convert an amount equal to the Non-Viability Trigger Event Conversion Amount of the Preference Shares into Ordinary Shares (a “**Conversion**” and “**Converted**” shall be construed accordingly). The number of Ordinary Shares is to be determined by dividing the Non-Viability Trigger Event Conversion Amount with the Conversion Price. The Liquidation Preference shall be reduced by an amount equal to the Non-Viability Trigger Event Conversion Amount per Preference Share. Once any unpaid Dividend has been cancelled and Preference Share has been Converted, no Holder may exercise, claim or plead any right to any Non-Viability Trigger Event Conversion Amount, including where the relevant Non-Viability Trigger Event ceases to exist. Fractions of Ordinary Shares will not be issued on Conversion and no cash adjustments will be made in respect thereof.

- (b) **No Transfers.** If a Non-Viability Trigger Event Notice has been given in respect of the Preference Shares, transfers of the relevant Preference Shares shall not be permitted during the Suspension Period. For the avoidance of doubt, the Company shall not register any attempted transfer of any relevant Preference Shares during the Suspension Period.

- (c) **Multiple Trigger Events.** The Company shall procure that any cancellation of Dividend or Conversion of the Preference Shares is conducted on a *pro rata* basis with other Additional Tier 1 Capital Securities (if any), to the extent that any such instruments are capable of being converted or written-off under any applicable laws and/or their terms of issue are analogous to **this Schedule “B”**. The Preference Shares may be subject to one or more Conversions (in part), except where the Preference Shares have been Converted in their entirety.
- (d) **Delivery of Ordinary Shares.** Subject to receipt of a direction from the Holder to issue any Ordinary Shares to a subsidiary of the Holder, the Company shall issue and deliver any Ordinary Shares upon Conversion to the Holder. In order to obtain delivery of the Ordinary Shares, each Holder must provide the details of the Person to whom the Ordinary Shares are to be delivered and surrender any share certificate(s) evidencing such Holder’s holding of the relevant Preference Shares at the place or one of the places specified in the Non-Viability Trigger Event Notice.
- (e) **Cancellation and Conversion does not constitute an Event of Default.** Any cancellation of Dividend and Conversion of any Preference Share that is duly effected pursuant to a Non-Viability Trigger Event does not constitute an event of default and does not entitle Holders to petition for the insolvency or winding up of the Company.

(6) **Hong Kong Bail-in Power**

Notwithstanding any other provision of **this Schedule “B”**, including without limitation **paragraph (5) of this Schedule “B”**, or any other agreement or arrangement, Holders shall be subject, and shall be deemed to acknowledge and agree that they are each subject, to the exercise of any Hong Kong Bail-in Power by the relevant Hong Kong Resolution Authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

- (i) the reduction or cancellation of all or part of the then prevailing Liquidation Preference of, and/or Dividend (if any) on, the Preference Shares;
- (ii) the conversion of all or part of the then prevailing Liquidation Preference of, and/or Dividend (if any) on, the Preference Shares into shares or other securities or other obligations of the Company or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, alteration, modification or variation to **this Schedule “B”** and/or the applicable Pricing Terms; and
- (iii) the amendment, alteration, modification or variation of the maturity of the Preference Shares or the amount of Dividend payable on the Preference Shares, or the date on which any such Dividend becomes payable, including by suspending payment for a temporary period, or any other amendment, alteration, modification or variation of **this Schedule “B”** and/or the applicable Pricing Terms.

With respect to (i), (ii) and (iii) above, references to Liquidation Preference and Dividend shall include any payment of Liquidation Preference and/or Dividend that has become due and payable (including Liquidation Preference and/or Dividend that have become due and payable at a Redemption Date, if any, from time to time), but which has not been paid, prior to the exercise of the Hong Kong Bail-in Power. The rights of the Holders under the Preference Shares are subject to, and will be amended, altered, modified or varied, if necessary, solely to give effect to, the exercise of any Hong Kong Bail-in Power by any relevant Hong Kong Resolution Authority.

No repayment of the Liquidation Preference or payment of any Dividend on the Preference Shares shall become due and payable or be paid after the exercise of any Hong Kong Bail-in Power by the relevant Hong Kong Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Company under the laws and regulations then applicable to the Company.

Upon the exercise of any Hong Kong Bail-in Power by any relevant Hong Kong Resolution Authority with respect to the Preference Shares, the Company shall provide a written notice not more than two Business Days after the occurrence of such exercise regarding such exercise of the Hong Kong Bail-in Power to the Holders.

Neither the reduction or cancellation, in part or in full, of the Liquidation Preference of, and/or Dividend on, the Preference Shares, the conversion thereof into shares or other securities or obligations of the Company or another person, or any other amendment or alteration of **this Schedule "B"** and/or the applicable Pricing Terms as a result of the exercise of any Hong Kong Bail-in Power by the relevant Hong Kong Resolution Authority nor the exercise of the Hong Kong Bail-in Power by the relevant Hong Kong Resolution Authority with respect to the Preference Shares shall constitute an event of default and does not entitle Holders to petition for the insolvency or winding up of the Company.

(7) **Voting**

- (a) **General.** Except as provided in **this paragraph (7) of Schedule "B"**, Holders shall not be entitled to receive notice of, attend and vote at general meetings of the Company.
- (b) **Class Meetings.** Holders shall be entitled to attend class meetings of Holders. Every Holder who is present in person at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the Holder.
- (c) **General Meetings.** If the Dividend originally scheduled to be paid with respect to the relevant class of Preference Shares have not been paid in full when due, then the Holders shall have the right to receive notice of, attend, speak and vote at general meetings of the Company and such right shall continue until after the next following Dividend Date on which a Dividend is paid in full. Every Holder who is present in person at such general meetings shall have on a show of hands one vote and on a poll one vote for every relevant Preference Share of which he is the Holder.

(d) **Meetings.** The provisions of the Articles relating to general meetings, notice of and proceedings at general meetings and votes of members shall (subject to and save to the extent inconsistent with **this Schedule “B”**) apply to general meetings and mutatis mutandis to any separate class meeting of the Holders of Preference Shares.

(8) **Repurchase**

None of the Company nor any of its affiliates over which it exercises control or significant influence (as construed in accordance with the Capital Rules) may purchase any of the Preference Shares without the prior consent of the Monetary Authority (for so long as such consent is required). Subject to the preceding sentence, the Company may, at any time and from time to time, purchase outstanding Preference Shares by tender, in the open market, by private agreement or otherwise. The Company may make any payment in respect of such a purchase as is authorised by the Companies Ordinance, including out of capital.

(9) **Taxation**

All payments on the Preference Shares by or on behalf of the Company shall be made free and clear of and without any deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Hong Kong or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law.

In the event that any such withholding or deduction in respect of any payment on the Preference Shares is required by law, the Company will pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required.

(10) **Variations of Rights and Further Issues**

Unless otherwise required by applicable law and notwithstanding any other provision of these Articles, any variation or abrogation of the rights, preferences and privileges of the relevant class of Preference Shares by way of amendment of **this Schedule “B”** and/or the applicable Pricing Terms or otherwise shall require:

- (a) the consent in writing of the holders of at least 75 per cent. of the outstanding Preference Shares of the relevant class; or
- (b) the sanction of a special resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of Holders holding or representing not less than two-thirds of the outstanding Preference Shares of the relevant class),

provided that:

- (i) no such consent or sanction shall be required if the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity (but such change shall not reduce the amounts payable to Holders, impose any

material obligation on Holders or materially adversely affect their voting rights);

- (ii) no such consent or sanction shall be required for the creation or issue of further shares ranking senior to, *pari passu* with or junior to the Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the Preference Shares);
- (iii) no such consent or sanction shall be required for the redemption, purchase or Conversion of the Preference Shares in accordance with **this Schedule “B”**; and
- (iv) no provision of the Preference Shares may be amended without the prior written consent of the Monetary Authority if such amendment could result in the Preference Shares not being treated as Additional Tier 1 Capital Securities.

The Company shall notify the Holders of any meeting at which they are entitled to vote. Each such notice shall set forth (i) the date, time and place of such meeting and (ii) a description of any resolution to be proposed for adoption at such meeting.

(11) **Transfer of Preference Shares**

An instrument of transfer of a share which is in certificated form must be in writing in any usual form or other form approved by the Board and must be executed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall remain the holder of the shares transferred until the name of the transferee is entered in the Register.

The Board may, in the case of transfers of Preference Shares in certificated form, at their absolute discretion and without assigning any reason therefor, refuse to register any transfer of a Preference Share:

- (i) not being a fully paid Preference Share;
- (ii) on which the Company has a lien; and/or
- (iii) on which the instrument of transfer has not been duly stamped (if so required).

The registration of share transfers may be suspended at such times and for such periods as the Board may determine in their sole and absolute discretion (including, without limitation, following any Non-Viability Trigger Event) not exceeding 30 days in any year.

(12) **Others**

- (a) In the event of any conflict or inconsistency between the provisions of **this Schedule “B”** and/or the applicable Pricing Terms, and the other provisions of these Articles, the provisions of **this Schedule “B”** and/or the applicable Pricing Terms shall prevail; and

- (b) Notwithstanding any other provision in these Articles, **this Schedule “B”** and/or the applicable Pricing Terms shall not be amended without the prior written approval of the Monetary Authority where such proposed amendment could impact the eligibility of the relevant class of Preference Shares as Additional Tier 1 capital of the Company pursuant to the Capital Rules.

DBS Bank (Hong Kong) Limited

Preference Share Pricing Terms dated 7 October 2016

Issue of HK\$1,400,000,000 Class A Preference Shares (the “Preference Shares”)

Capitalised terms used herein shall be as defined in the Articles of Association of the Issuer (the “Articles”). This document constitutes the Pricing Terms of the Preference Shares described herein and should be read in conjunction with the Articles. Full information on the Preference Shares is only available on the basis of the combination of these Pricing Terms and the terms and conditions set out in Schedule “B” of the Articles. The terms set out in these Pricing Terms apply only to the relevant Class A Preference Shares and have no effect on any other preference shares issued by the Issuer from time to time.

The Financial Institutions (Resolution) Ordinance was passed by the Legislative Council of Hong Kong and published in the gazette of the Hong Kong Special Administrative Region Government (“HKSAR Government”) in June 2016. The Ordinance has yet to become effective and will commence operation on a date to be appointed by the Secretary for Financial Services and the Treasury of the HKSAR Government pending the Legislative Council’s passing of certain of the regulations to be made as subsidiary legislation under the Ordinance. It is expected that all licensed banks in Hong Kong will be subject to such legislation when it comes into effect.

1	Issuer:	DBS Bank (Hong Kong) Limited
2	Tranche Reference:	Class A Preference Shares
3	Specified Currency:	Hong Kong dollars (“HK\$”)
4	Liquidation Preference:	HK\$10,000,000
5	Issue Price:	HK\$10,000,000 (being 100 per cent. of the Liquidation Preference)
6	Issue Date:	13 October 2016
7	(i) Interest Basis:	Fixed
	(ii) Day Count Fraction	The number of days in the relevant Dividend Period divided by 365
8	Dividend Rate:	3.90 per cent. per annum
9	Dividend Date:	15 March in each year
10	Conversion Price Floor:	HK\$1
11	Further Information	Not applicable

These Class A Preference Share Pricing Terms have been entered into on the date stated at the beginning.