

LISTING PARTICULARS DATED 27 SEPTEMBER 2022



HSBC HOLDINGS PLC

(a company incorporated with limited liability in England with registered number 617987)

as Issuer

¥44,700,000,000 1.478% Senior Unsecured Callable Bonds – Seventh Series (2022) due September 2026

¥41,500,000,000 1.958% Senior Unsecured Callable Bonds – Eighth Series (2022) due September 2028

¥13,900,000,000 2.250% Senior Unsecured Callable Bonds – Ninth Series (2022) due September 2032

and

¥11,900,000,000 2.500% Subordinated Unsecured Callable Bonds – First Series (2022) due September 2032

On 15 September 2022, HSBC Holdings plc (the "**Issuer**") issued ¥44,700,000,000 1.478% Senior Unsecured Callable Bonds – Seventh Series (2022) due September 2026 (the "**Seventh Series Bonds**"), ¥41,500,000,000 1.958% Senior Unsecured Callable Bonds – Eighth Series (2022) due September 2028 (the "**Eighth Series Bonds**") and ¥13,900,000,000 2.250% Senior Unsecured Callable Bonds – Ninth Series (2022) due September 2032 (the "**Ninth Series Bonds**") and together with the Seventh Series Bonds and Eighth Series Bonds, the "**Senior Bonds**") and ¥11,900,000,000 2.500% Subordinated Unsecured Callable Bonds – First Series (2022) due September 2032 (the "**Subordinated Bonds**") (and together, the Senior Bonds and the Subordinated Bonds, the "**Bonds**"), which are described in this document. This document (and all documents incorporated by reference herein) (together, the "**Listing Particulars**") has been prepared for the purpose of providing disclosure information with regard to the Bonds to be admitted to the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") and trading on its Global Exchange Market. The Global Exchange Market of Euronext Dublin is not a regulated market for the purposes of Directive (2014/65/EU), as amended ("**MiFID II**") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") ("**UK MiFIR**"). These Listing Particulars constitute listing particulars for the purposes of listing on the Official List of Euronext Dublin and trading on its Global Exchange Market. Application has been made for these Listing Particulars to be approved by Euronext Dublin and for the Bonds to be admitted to the Official List of Euronext Dublin and to trading on its Global Exchange Market. Investors should note that securities to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

These Listing Particulars do not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") or (ii) a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). These Listing Particulars have been prepared solely with regard to the Bonds which are (i) not to be admitted to listing or trading on any regulated market for the purposes of MiFID II or UK MiFIR and (ii) not to be offered to the public in the UK (other than pursuant to one or more of the exemptions set out in section 86 of the FSMA) or a Member State of the European Economic Area ("**EEA**") (other than pursuant to one or more of the exemptions set out in Article 1.4 of the Prospectus Regulation). These Listing Particulars have not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation or Part VI of the FSMA.

The Bonds are issued in the denomination of ¥100,000,000 each.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. SEE PAGE 6 FOR RISK FACTORS.

The Senior Bonds were each assigned a credit rating of A3 by Moody's Investors Service Limited and A- by S&P Global Ratings UK Limited.

The Subordinated Bonds were assigned a credit rating of Baa1 by Moody's Investors Service Limited and BBB by S&P Global Ratings UK Limited.

The Bonds are not deposit liabilities of the Issuer and are not covered by the UK Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the UK, the United States or any other jurisdiction.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons, as defined in Regulation S under the Securities Act, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

*The managers named under "Subscription and Sale" below (the "**Joint Lead Managers**") have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Lead Managers as to the accuracy or completeness of these Listing Particulars or any document incorporated by reference herein or any further information supplied in connection with any Bonds. The Joint Lead Managers accept no liability in relation to these Listing Particulars or their distribution or with regard to any other information supplied by or on behalf of the Issuer.*

No person has been authorised to give any information or to make any representation not contained in or not consistent with these Listing Particulars and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers.

These Listing Particulars should not be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of these Listing Particulars should purchase any of the Bonds. Each investor contemplating purchasing the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No part of these Listing Particulars constitutes an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers or any of them to any person to subscribe for or to purchase any of the Bonds.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Bonds shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in these Listing Particulars is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of the Bonds.

The distribution of these Listing Particulars and the offer or sale of the Bonds may be restricted by law in certain jurisdictions. Persons into whose possession these Listing Particulars or any Bonds come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of these Listing Particulars, see "Subscription and Sale" below.

*All references in these Listing Particulars to "\$", "**dollars**", "**U.S.\$**", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America and all references to "**yen**", "**JPY**" or "**¥**" are to the lawful currency for the time being of Japan.*

CONTENTS

	Page
OVERVIEW	1
RISK FACTORS	6
DOCUMENTS INCORPORATED BY REFERENCE	15
TERMS AND CONDITIONS OF THE BONDS (SEVENTH SERIES 2022).....	16
TERMS AND CONDITIONS OF THE BONDS (EIGHTH SERIES 2022).....	32
TERMS AND CONDITIONS OF THE BONDS (NINTH SERIES 2022)	48
TERMS AND CONDITIONS OF THE BONDS (FIRST SERIES 2022).....	64
DESCRIPTION OF THE ISSUER.....	81
DIRECTORS OF THE ISSUER	82
UNITED KINGDOM TAXATION	86
CERTAIN OTHER TAXATION MATTERS	88
SUBSCRIPTION AND SALE.....	89
GENERAL INFORMATION	90

OVERVIEW

This overview must be read as an introduction to these Listing Particulars and any decision to invest in the Bonds should be based on a consideration of these Listing Particulars as a whole, including the documents incorporated by reference.

This overview refers to certain provisions of the Conditions and is qualified by the more detailed information contained elsewhere in these Listing Particulars.

Words and expressions defined in the "Terms and Conditions of the Bonds (Senior Bonds)" and "Terms and Conditions of the Bonds (Subordinated Bonds)" below or elsewhere in these Listing Particulars have the same meanings in this overview.

The Issuer:	HSBC Holdings plc
Joint Lead Managers:	HSBC Securities (Japan) Co., Ltd. Daiwa Securities Co. Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Mizuho Securities Co., Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc.
Fiscal Agent:	Sumitomo Mitsui Banking Corporation
The Bonds:	¥44,700,000,000 1.478% Senior Unsecured Callable Bonds – Seventh Series (2022) due September 2026 ¥41,500,000,000 1.958% Senior Unsecured Callable Bonds – Eighth Series (2022) due September 2028 ¥13,900,000,000 2.250% Senior Unsecured Callable Bonds – Ninth Series (2022) due September 2032 ¥11,900,000,000 2.500% Subordinated Unsecured Callable Bonds – First Series (2022) due September 2032
Issue Price:	100 per cent.
Issue Date:	15 September 2022
Interest:	<p>The Senior Bonds bear interest from, and including, 16 September 2022, payable semi-annually in arrear on 15 March and 15 September of each year in respect of the half year period to and including each such interest payment date.</p> <p>From and including 16 September 2022 to and including 15 September 2025, the Seventh Series Bonds bear interest at the rate of 1.478 per cent. per annum on their principal amount.</p> <p>From and including 16 September 2022 to and including 15 September 2027, the Eighth Series Bonds bear interest at the rate of 1.958 per cent. per annum on their principal amount.</p> <p>From and including 16 September 2022 to and including 15 September 2031, the Ninth Series Bonds bear interest at the rate of 2.250 per cent. per annum on their principal amount.</p> <p>From and including 16 September 2025 to and including 15 September 2026, the Seventh Series Bonds bear interest at a rate equal to the sum of the applicable JPY 1-year TONA Tokyo Swap</p>

Rate-10:00 as of the day which is two Business Days prior to 15 September 2025 and 1.350 per cent per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

From and including 16 September 2027 to and including 15 September 2028, the Eighth Series Bonds bear interest at a rate equal to the sum of the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 as of the day which is two Business Days prior to 15 September 2027 and 1.750 per cent per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

From and including 16 September 2031 to and including 15 September 2032, the Ninth Series Bonds bear interest at a rate equal to the sum of the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 as of the day which is two Business Days prior to 15 September 2031 and 1.850 per cent per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

The Subordinated Bonds bear interest from, and including, 16 September 2022, payable semi-annually in arrear on 15 March and 15 September of each year in respect of the half year period to and including each such interest payment date.

From and including 16 September 2022 to and including 15 September 2027, the Subordinated Bonds bear interest at the rate of 2.500 per cent. per annum on their principal amount.

From and including 16 September 2027 to and including 15 September 2032, the Subordinated Bonds bear interest at a rate equal to the sum of the applicable JPY 5-year TONA Tokyo Swap Rate-10:00 as of the day which is two Business Days prior to 15 September 2027 and 2.292 per cent per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

Initial Interest Payment Date:	15 March 2023
Prescription:	The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.
Status of the Senior Bonds:	The Senior Bonds constitute direct and unsecured obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with all other unsubordinated and unsecured obligations of the Issuer, present and future, other than any such obligations preferred by law.
Status of the Subordinated Bonds:	The Subordinated Bonds constitute direct and unsecured obligations of the Issuer, and rank and will rank <i>pari passu</i> without any preference among themselves. The rights of the Bondholders will, in the event of the winding up of the Issuer in England, (i) be subordinated in right of payment to the claims of Senior Creditors and (ii) rank senior to the Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Bonds.
UK Bail-in Power Acknowledgement:	By its acquisition of the Bonds, each holder of Bonds (a " Bondholder ") acknowledges, accepts, consents and agrees, to be bound by: (a) the exercise of any UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority (as defined below) that may result in any of the following, or some

combination thereof of: (i) the reduction of all, or a portion, of the Amounts Due (as defined below); (ii) the conversion of all, or a portion, of the Amounts Due into the Issuer's or another person's shares, other securities or other obligations (and the issue to, or conferral on, the Bondholder of such shares, other securities or other obligations), including by means of an amendment, modification or variation of the Conditions of the Bonds; (iii) the cancellation of the Bonds; and/or (iv) the amendment or alteration of the date for redemption of the Bonds or amendment of the amount of interest payable on the Bonds, or the Interest Payment Dates, including by suspending payment for a temporary period; and (b) the variation of the Conditions of the Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

For these purposes:

"Amounts Due" means the principal amount of, and any accrued but unpaid interest, including any Additional Amounts, on, the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

"Relevant UK Resolution Authority" means any authority with the ability to exercise a UK Bail-in Power.

"UK 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 the United Kingdom, relating to the transposition of the BRRD or otherwise relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including but not limited to the Banking Act and the instruments, rules and standards created thereunder, pursuant to which (i) any obligation of a Regulated Entity (or other affiliate of such Regulated Entity) can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such Regulated Entity or any other person (or suspended for a temporary period); and (ii) any right in a contract governing an obligation of a Regulated Entity may be deemed to have been exercised.

Form and Denomination:

The Bonds are issued in the denomination of ¥100,000,000 each. The Book-Entry Transfer Law (as defined in the Conditions) shall apply to the Bonds and the transfer of the Bonds and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the Business Regulations (as defined in the Conditions). Bond Certificates shall not be issued, except in limited cases set forth in the Book-Entry Transfer Law.

Final Redemption:

Seventh Series Bonds: 15 September 2026 at 100 per cent. of their principal amount.

Eighth Series Bonds: 15 September 2028 at 100 per cent. of their principal amount.

Ninth Series Bonds: 15 September 2032 at 100 per cent. of their principal amount.

Subordinated Bonds: 15 September 2032 at 100 per cent. of their principal amount.

Redemption for Tax Reasons:

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, if:

- i) on a subsequent Interest Payment Date under the Bonds, the Issuer will become obliged to pay Additional Amounts as provided in Condition 8 (in the Conditions of the Bonds);
- ii) if the Issuer were to seek to redeem the Bonds (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem the Bonds), the Issuer would be obliged to pay any Additional Amounts; or
- iii) in respect of the Subordinated Bonds only, interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Subordinated Bonds would no longer be fully deductible for United Kingdom corporation tax purposes;

as a result of any change in, or amendment to, the laws of the United Kingdom (or any authority or political subdivision therein or thereof having power to tax) or any change in the official application or interpretation, or execution of, or amendment to, any treaty or treaties affecting taxation to which the United Kingdom is a party, which change, amendment or execution becomes effective on or after 15 September 2022,

as described in the Conditions of the Bonds.

Taxation:

All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds by the Issuer will be made free and clear of, and without withholding of or deduction for or any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom (or any authority or political subdivision therein or thereof having power to tax), unless such withholding or deduction is required by law.

In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") in respect of payments of interest only (and not principal) as will result in the receipt by the Bondholders of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required, subject to certain exceptions as described in the Conditions of the Bonds.

Governing Law:

The Bonds are governed by, and shall be construed in accordance with, the laws of Japan, except Condition 2 (*Status of the Bonds and Subordination*) of the Subordinated Bonds which shall be governed by English law.

Listing and Trading:	Application has been made for these Listing Particulars to be approved by Euronext Dublin and the Bonds to be admitted to the Official List of Euronext Dublin and to trading on its Global Exchange Market.
Clearing Systems:	Japan Securities Depository Center, Incorporated (" JASDEC " and " Book-Entry Transfer Institution ") will act as book-entry transfer institution (<i>furikae kikan</i>) of the Bonds under the Book-Entry Transfer Law.
Selling Restrictions:	See " <i>Subscription and Sale</i> ".
Risk Factors:	Investing in the Bonds involves risks. See "Risk Factors".
ISIN:	Seventh Series Bonds: JP582666AN94 Eighth Series Bonds: JP582666BN93 Ninth Series Bonds: JP582666CN92 Subordinated Bonds: JP582666DN91

RISK FACTORS

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, the business of the Issuer and the industry in which it operates together with all other information contained in these Listing Particulars, including, in particular, the risk factors described below and the risk factors set out in the registration document, incorporated by reference (the "**Registration Document**"). The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and/or risk factors that are material for the purposes of assessing the market risk associated with the Bonds. Words and expressions defined in the Conditions or elsewhere in these Listing Particulars have the same meanings in this section. References herein to "**HSBC**" or the "**Group**" refer to the Issuer and its subsidiaries.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Issuer or the Bonds that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and its subsidiaries, the value of the Bonds and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in these Listing Particulars and their personal circumstances.

Terms and expressions in these risk factors shall, unless otherwise defined or unless the context otherwise requires, have the same meaning and be construed in accordance with Conditions of the Bonds.

Risks relating to the Issuer

The section entitled "Risk Factors" on pages 155 to 166 of the Form 20-F dated 23 February 2022 filed with the U.S. Securities and Exchange Commission ("**SEC**") (as set out at <https://sec.report/Document/0001089113-22-000002/hsbc-20211231.htm>) (the "**2021 Form 20-F**"), as incorporated by reference herein, sets out a description of the risk factors that may affect the ability of the Issuer to fulfil its obligations to investors in relation to the Bonds.

Risks relating to the Bonds

Under the terms of the Bonds, Bondholders agree to be bound by the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

Bondholders agree to be bound by the exercise of any UK Bail-in Power and each Bondholder should consider the risk of loss of all of its investment, including the principal amount plus any accrued interest, if the UK Bail-in Power is acted upon or that any remaining outstanding Bonds or securities into which the Bonds are converted, including the Issuer's ordinary shares, may be of little value at the time of conversion and thereafter.

Specifically, by a Bondholder's acquisition of the Bonds, each Bondholder will acknowledge, accept, consent and agree, notwithstanding any other term of the Bonds, or any other agreements, arrangements or understandings between each Bondholder and the Issuer, to be bound by (a) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority; and (b) the variation of the terms of the Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority. No repayment or payment of Amounts Due will become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise. Moreover, each Bondholder consents to the exercise of any UK Bail-in Power as it may be imposed without any prior notice by the Relevant UK Resolution Authority of its decision to exercise such power with respect to the Bonds.

The Bonds are the subject of the UK Bail-in Power, which may result in the Bonds being written down to zero or converted into other securities, including unlisted equity securities.

On 1 January 2015, the UK Banking Act 2009, as amended (the "**Banking Act**"), and other primary and secondary legislative instruments were amended to give effect to the EU Bank Recovery and Resolution Directive ("**BRRD**") in the UK. The stated aim of BRRD is to provide supervisory authorities, including

(at the time) the Relevant UK Resolution Authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' contributions to bank bail-outs and/or exposure to losses.

As the parent company of a UK bank, the Issuer is subject to the Banking Act, which gives wide powers in respect of UK banks and their parent and other group companies to Her Majesty's Treasury ("**HM Treasury**"), the Bank of England ("**BoE**"), the UK Prudential Regulation Authority and the Financial Conduct Authority in circumstances where a UK bank has encountered or is likely to encounter financial difficulties.

As a result, the Bonds are subject to existing UK Bail-in Power under the Banking Act and may be subject to future UK Bail-in Power under existing or future legislative and regulatory proposals. In particular, the Banking Act was amended to implement the power to write-down and convert capital instruments and (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("relevant internal liabilities") (the "capital instruments and liabilities write-down and conversion power") and a "bail-in" tool, both of which may be exercised by the BoE (as a Relevant UK Resolution Authority) and may result in the Bonds being partially or fully written down or converted to common equity Tier 1 instruments.

The capital instruments and liabilities write-down and conversion power may be exercised independently of, or in combination with, the exercise of a resolution tool (other than the bail-in tool, which would be used instead of the capital instruments and liabilities write-down and conversion power), and such power allows resolution authorities to cancel all or a portion of the principal amount of capital instruments and relevant internal liabilities and/or convert such capital instruments and relevant internal liabilities into common equity Tier 1 instruments when an institution and/or, in the case of a holding company, an institution in its group, has reached the point of non-viability. The BoE or UK Prudential Regulation Authority determines the point of non-viability for such purposes as the point at which the relevant institution meets the conditions for resolution or will no longer be viable unless the relevant capital instruments are written down or extraordinary public support is provided and without such support the appropriate authority determines that the institution would no longer be viable. Such capital instruments and liabilities write-down and conversion power may be exercised in relation to the Subordinated Bonds but will not apply to the Senior Bonds. The BoE will exercise the capital instruments and liabilities write-down and conversion power against the Subordinated Bonds in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional Tier 1 instruments are affected, additional Tier 1 instruments must be written off or converted in full before Tier 2 instruments (such as the Subordinated Bonds) are affected and (in the case of a non-resolution entity) Tier 2 instruments must be written off or converted in full before relevant internal liabilities are affected. Where the capital instruments and liabilities write-down and conversion power is used, the write-down is permanent and investors receive no compensation (save that common equity Tier 1 instruments may be required to be issued to holders of written down instruments). The capital instruments and liabilities write-down and conversion power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below).

Where the conditions for resolution exist, the BoE may use the bail-in tool (individually or in combination with other resolution tools) to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution and/or convert certain debt claims into another security, including ordinary shares of the surviving entity. The bail-in tool may be used by the BoE in respect of the Subordinated Bonds and the Senior Bonds. In addition, the BoE may use the bail-in tool to, among other things, replace or substitute the issuer as obligor in respect of debt instruments, modify the terms of debt instruments (including altering the maturity (if any) and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinue the listing and admission to trading of financial instruments. The BoE must apply the bail-in tool in accordance with a specified preference order. In particular, the Banking Act requires resolution authorities to write-down or convert debts in the following order: (i) additional Tier 1 instruments, (ii) Tier 2 instruments, (iii) other subordinated claims that do not qualify as additional Tier 1 or Tier 2 instruments and (iv) certain senior claims. As a result, the Bonds may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. Unlike the capital instruments and liabilities write-down and conversion power (which may be exercised against the Subordinated Bonds), the bail-in tool has a safeguard designed to leave no creditor worse off than in the case of insolvency, due to the discretion afforded to the BoE, the claims of some creditors whose claims would rank equally with the Bondholders' may be excluded from being subject to the bail-in tool. The greater number of such excluded creditors there are, the greater the potential

impact of the bail-in tool on other creditors who have not been excluded (which may include the Bondholders).

As a result, the Bonds, which are subject to the bail-in tool, will be written down or converted to common equity if the reduction of additional Tier 1 instruments, Tier 2 instruments and subordinated claims that do not qualify as an additional Tier 1 or Tier 2 instrument, does not sufficiently reduce the aggregate amount of liabilities that must be written down or converted to prevent the Group's failure.

Moreover, to the extent the UK Bail-in Power is exercised pursuant to the Banking Act or otherwise, any securities issued upon conversion of the Bonds may not meet the listing requirements of any securities exchange, and the Issuer's outstanding listed securities may be delisted from the securities exchanges on which they are listed. Any securities the Bondholders receive upon conversion of their Bonds (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange, including, for example, the Issuer's American depository receipts listed on the New York Stock Exchange or the Issuer's ordinary shares listed on the London Stock Exchange or otherwise. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer of any securities issued upon conversion of the Bonds, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the UK Bail-in Power.

Moreover, the exercise of the UK Bail-in Power and/or other actions implementing the UK Bail-in Power may require interests in the Bonds to be held or taken, as the case may be, through clearing systems, intermediaries or persons other than the Book-Entry Transfer Institution. Notably, in some circumstances, the BoE may decide to apply a deferred bail-in, where liabilities are not written down at the start of the resolution but are transferred to a depository to hold during the bail-in period with the write-down being determined at a later point in the bail-in period. As a result, there may not be an active market for any securities the Bondholders may hold after the exercise of the UK Bail-in Power.

The Bondholders should consider the risk that they may lose all of the investment, including the principal amount plus any accrued interest, if the UK Bail-in Power is acted upon or that any remaining outstanding Bonds or securities into which the Bonds are converted, including the Issuer's ordinary shares, may be of little value at the time of conversion and thereafter. In addition, trading behaviour, including prices and volatility, may be affected by the threat of bail-in and, as a result, the Bonds are not necessarily expected to follow the trading behaviour associated with other types of securities.

Bondholders' rights may be limited in respect of the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority.

There may be limited protections, if any, that will be available to the Bondholders subject to the UK Bail-in Power and to the broader resolution powers of the Relevant UK Resolution Authority. For example, although under the Banking Act, the BoE's resolution instrument with respect to the exercise of the bail-in tool must set out the provisions allowing for the Bonds to be transferred, cancelled or modified (or any combination of these), the resolution instrument may make any other provision that the BoE considers to be appropriate in exercising its specific powers. Such other provisions are expected to be specific and tailored to the circumstances that have led to the exercise of the bail-in tool under the Banking Act and there is uncertainty as to the extent to which usual processes or procedures under English law will be available to the Bondholders. Accordingly, the Bondholders may have limited or circumscribed rights to challenge any decision of the BoE or other relevant UK resolution authority to exercise its UK Bail-in Power.

Other powers contemplated by the Banking Act may affect the rights of Bondholders under, and the value of their investment in, the Bonds.

In addition to the capital instruments and liabilities write-down and conversion power and the bail-in tool, the Banking Act includes powers to (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include the Bonds), to a commercial purchaser or, in the case of securities, into temporary public ownership (to HM Treasury or an HM Treasury nominee), or, in the case of property, rights or liabilities, to a bridge bank (an entity owned by the BoE); (b) together with another resolution tool only, transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximizing their value through eventual sale or orderly wind-down; (c) override any default provisions,

contracts or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (d) commence certain insolvency procedures in relation to a UK bank; and (e) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively.

The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use these powers effectively, potentially with retrospective effect.

The powers set out in the Banking Act could affect how credit institutions (and their parent companies) and investment firms are managed as well as, in certain circumstances, the rights of creditors. Accordingly, the taking of any actions contemplated by the Banking Act may affect the rights of Bondholders under the Bonds, and the value of their Bonds may be affected by the exercise of any such powers or threat thereof.

The records, etc. under the Book-Entry Transfer System.

It is not yet clear what procedures and timelines will need to be followed in connection with the exercise of the UK Bail-in Power. It is possible that a public notice of the exercise of the UK Bail-in Power could be given immediately before or even after the effective date of such exercise. Also, even if the Issuer and/or the Fiscal Agent request the Book-Entry Transfer Institution immediately upon the exercise of the UK Bail-in Power to take necessary actions in accordance with the UK Bail-in Power (including but not limited to mark-down of the value of the Bonds as recorded under the Book-Entry Transfer System and/or to suspension of the transfers through the Book-Entry Transfer System), a period of time may be required before implementation of such actions. As a result, there can be no assurance that mark-down of the value of Bonds as recorded under the Book-Entry Transfer System and/or suspension of transfers through the Book-Entry Transfer System will be implemented before or simultaneously with the effectiveness of any exercise of the UK Bail-in Power, and there is a possibility that the Bonds have been already written down or converted and therefore the Issuer has been already released from its payment obligations under the Bonds even when there are still records of the Bonds in the case of the exercise of the UK Bail-in Power. In addition, when the Bonds are converted into shares or other securities or obligations of the Issuer or any other person pursuant to a UK Bail-in Power, the procedures for conversion and delivery of the shares, etc. may not be conducted within the framework of the Book-Entry Transfer System.

The circumstances under which the Relevant UK Resolution Authority would exercise its UK Bail-in Power or other resolution tools under the Banking Act or future legislative or regulatory proposals are uncertain, which may affect the value of the Bonds.

There remains significant uncertainty regarding the ultimate nature and scope of the resolution powers under the Banking Act (and such significant uncertainty may exist with respect to any other resolution powers or tools enacted under future legislative or regulatory proposals), as well as the manner in which such powers would affect the Issuer and the Bonds if such powers were exercised.

For example, although the exercise of the capital instruments and liabilities write-down and conversion power and other resolution tools under the Banking Act are subject to certain pre-conditions thereunder, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the Issuer's control or not directly related to the Issuer) which the BoE would consider in deciding whether to exercise such powers with respect to the Issuer or the Bonds. In particular, because the Banking Act allows for the BoE to exercise its discretion in choosing which resolution tool or tools to apply, it will be difficult to predict whether the exercise of the BoE's resolution powers will result in a principal write-off or conversion to equity. The Bondholders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such resolution powers and consequently its potential effect on the Issuer or the Bonds.

Accordingly, it is not yet possible to assess the full impact of the exercise of the UK Bail-in Power pursuant to the Banking Act or otherwise on the Issuer, and there can be no assurance that the taking of any actions contemplated therein would not adversely affect the Bondholders' rights, the price or value of the Bondholders' investment in the Bonds and/or the Issuer's ability to satisfy its obligations under the Bonds.

Other changes in law may adversely affect the rights of a Bondholder.

Changes in law after the date hereof may affect the rights of Bondholders as well as the market value of the Bonds. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Bonds, which may have an adverse effect on an investment in the Bonds.

In respect of the Senior Bonds, any change in law or regulation that would cause the Senior Bonds to become fully or partially ineligible to meet the Issuer's or the Group's minimum requirements for eligible liabilities and/or loss absorbing capacity instruments could trigger a Loss Absorption Disqualification Event, as more particularly described in Condition 6 (*Redemption and Purchase*) of the Senior Bonds.

In respect of the Subordinated Bonds, any change in law or regulation that would cause the Subordinated Bonds to cease to qualify in whole or in part as regulatory capital of the Issuer or to be reclassified, in whole or in part, as a lower quality form of regulatory capital of the Issuer could trigger a Capital Disqualification Event, as defined and more particularly described in Condition 6 (*Redemption and Purchase*) of the Subordinated Bonds.

In addition, any change in law or regulation that results in the Issuer having to pay Additional Amounts to the Bondholders could constitute a tax event that may entitle the Issuer to redeem the Bonds in whole (but not in part) as more particularly described in Condition 6 (*Redemption and Purchase*) of the Bonds.

In particular, the UK's withdrawal from the European Union (the "EU") continues to create significant political, regulatory and macroeconomic uncertainty. For instance, while the UK's withdrawal from the EU does not affect the validity of the Banking Act (through which the BRRD was implemented), UK and EU laws have diverged with respect to certain aspects of recovery and resolution and may diverge further. It is possible that subsequent changes in law affecting the rights of a Bondholder could take place.

Such legislative and regulatory uncertainty could also affect the liquidity of the Bonds and/or the ability of Bondholders' to accurately value them, and, therefore, affect the trading price of the Bonds given the extent and impact on the Bonds that one or more regulatory or legislative changes could have on the Bonds.

Bonds subject to optional redemption by the Issuer.

An optional redemption feature as described in Condition 6 (*Redemption and Purchase*) of the Conditions of the Bonds is likely to limit its market value. During any period when the Issuer may elect to redeem Bonds, the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, the Bondholders will have no right to request the redemption of the Bonds and should not invest in the Bonds in the expectation that the Issuer would exercise its option to redeem the Bonds. Any decision by the Issuer as to whether it will exercise its option to redeem the Bonds will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Bonds, any tax consequences, the regulatory capital/loss absorbing capacity requirements and the prevailing market conditions. Bondholders should be aware that they may be required to bear the financial risks of an investment in the Bonds until maturity. In addition, to the extent that Bonds are purchased and cancelled in part, the number of Bonds outstanding will decrease, which may result in a lessening of the liquidity of the Bonds. A lessening of the liquidity of the Bonds may cause, in turn, an increase in volatility associated with the price of the Bonds.

Limitation on gross-up obligation

The Issuer's obligation to pay Additional Amounts in respect of any withholding or deduction in respect of United Kingdom taxes under the terms of the Bonds applies only to payments of interest due and paid under the Bonds and not to payments of principal. As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Bonds to the extent any withholding or deduction applied to payments of

principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Bonds, Bondholders may receive less than the full amount due under such Bonds, and the market value of such Bonds may be adversely affected.

The Issuer may issue securities pari passu with the Bonds and/or secured debt.

There is no restriction on the amount of securities that the Issuer may issue that rank *pari passu* with the Bonds. In particular, the Financial Stability Board final standards for total loss absorbing capacity ("TLAC") requirements for global systemically important banks ("G-SIBs") have now been implemented in the UK by the BoE using its existing powers under the Banking Act. The BoE published its statement of policy on its approach to setting minimum requirements for own funds and eligible liabilities ("MREL") in June 2018, which has been updated in December 2021. The updated policy has not changed the MREL calibration framework applicable to G-SIBs which are now subject to end-state MREL requirements from 1 January 2022. The policy also sets out internal MREL requirements that apply to some of the Issuer's UK subsidiaries. Furthermore, revisions to the EU Capital Requirements Regulation ("CRR II") introduced a harmonised MREL requirement for G-SIBs, applicable as of 27 June 2019, which has been retained in UK CRR, in addition to institution-specific requirements under the BRRD regime. Any further regulatory developments in this area may in turn impact the Issuer's ability to make interest payments on the Bonds.

For more information on the requirements concerning MREL and TLAC applicable to the Issuer, see pages 134 through 142 in the 2021 Form 20-F. Furthermore, the Issuer (and its subsidiaries) may incur additional debt, including secured debt. The Bonds will be effectively subordinated to any indebtedness or other liabilities of the Issuer's subsidiaries and to any of its indebtedness that is secured by property or assets to the extent of the value of the property or assets securing such indebtedness.

In the event of the Issuer's winding up, the Bondholders may recover from the value of the Issuer's assets to satisfy their claims only after secured creditors of the Issuer have been paid in full. In addition, the claims of creditors holding securities that rank *pari passu* to the Bonds may reduce the amount recoverable by the Bondholders. Therefore, the Bondholders may lose all or some of their investment in the Bonds in the event of the winding up of the Issuer.

Subordinated Bonds – Status

The Subordinated Bonds are unsecured and subordinated obligations of the Issuer. In the event that the Issuer is declared insolvent and a winding up is initiated, the Issuer will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the Subordinated Bonds. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Subordinated Bonds.

The Issuer's holding company structure may mean that its rights to participate in assets of any of the Issuer's subsidiaries upon its liquidation may be subject to prior claims of some of its creditors, including when the Issuer has loaned or otherwise advanced the proceeds received from the issuance of the Bonds to such subsidiary.

The Bonds are the Issuer's obligations exclusively and are not guaranteed by any person, including any of its subsidiaries. The Issuer is a non-operating holding company and, as such, its principal source of income is derived from its operating subsidiaries that hold the principal assets of the Issuer together with its subsidiary undertakings. As a separate legal entity, the Issuer relies on, among other things, remittance of its subsidiaries' loan interest payments and dividends in order to be able to meet its obligations to the Bondholders as they fall due. The ability of the Issuer's subsidiaries and affiliates to pay dividends could be restricted by changes in regulation, statutory/contractual restrictions, exchange controls and other requirements, which may, in turn, restrict its ability to pay any amounts due under the Bonds.

In addition, because the Issuer is a holding company, the Issuer's rights to participate in the assets of any subsidiary if it is liquidated will be subject to the prior claims of its creditors and any preference shareholders, except to the extent that the Issuer may be a creditor with recognised claims ranking ahead of or *pari passu* with such prior claims against the subsidiary.

The Issuer also has absolute discretion as to how it makes its investments in, or advance funds to, its subsidiaries, including any proceeds of issuances of debt securities, such as the Bonds, and as to how it may restructure existing investments and funding in the future (which restructuring may be implemented without prior notification to the Bondholders). The ranking of the Issuer's claims in respect of such investments and funding in the event of the liquidation of a subsidiary, and their treatment in resolution, will depend in part on their form and structure and the types of claim that they give rise to. The purposes of such investments and funding, and any such restructuring, may include, among other things, the provision of different amounts or types of capital or funding to particular subsidiaries, including for the purposes of meeting regulatory requirements, such as the implementation of MREL requirements imposed by the BoE or any equivalent requirements imposed on subsidiaries of the Issuer, which may require funding to be made on a subordinated basis.

In addition, the terms of some loans or investments in capital instruments issued by the Issuer's subsidiaries may contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of such subsidiary, would result in a write-down of the claim or a change in the ranking and type of claim that the Issuer has against such subsidiary. The regulatory framework applicable to the Issuer's subsidiaries may also provide statutory powers to regulatory authorities to write-down or convert such loans or investments to equity depending on the prudential or financial condition of the subsidiary. In addition, such loans to and investments in certain of the Issuer's subsidiaries may also be subject to the exercise of the UK Bail-in Power. Any changes in the legal or regulatory form or ranking of a loan or investment could also affect its treatment in resolution.

If any of the Issuer's subsidiaries were wound up, liquidated or dissolved (i) the Bondholders would have no right to proceed against the assets of such subsidiary and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of such subsidiary's creditors and/or preference shareholders (including holders of such subsidiary's senior debt and Tier 2 and additional Tier 1 capital instruments) before the Issuer would be entitled to receive any distributions. Similarly, if any of the Issuer's subsidiaries were subject to resolution proceedings (i) the Bondholders may have no direct recourse against such subsidiary and (ii) the Bondholders and the Issuer may also be exposed to losses pursuant to the exercise by the relevant resolution authority of resolution powers (including any applicable bail-in power).

Remedies of the Bondholders under the Bonds are limited.

The remedies under the Bonds are more limited than those that may be available (in respect of the Senior Bonds) to some of the other unsubordinated creditors of the Issuer and (in respect of the Subordinated Bonds) to unsubordinated creditors of the Issuer.

There is no right of acceleration in the case of non-payment of interest on the Bonds or of the Issuer's failure to perform any of its obligations under or in respect of the Bonds and payment of the principal amount of the Bonds may be accelerated only upon certain events relating to a winding-up of the Issuer, as described in Condition 9 (*Enforcement*) of the Conditions of the Bonds. No remedy against the Issuer other than as specifically provided by Condition 9 (*Enforcement*) of the Conditions of the Bonds shall be available to the Bondholders for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under the Bonds.

Investment in the Bonds are not equivalent to investment in bank deposits.

An investment in the Bonds is not equivalent to an investment in a bank deposit. Although an investment in the Bonds (especially the Subordinated Bonds) may give rise to higher yields than a bank deposit placed with HSBC UK Bank plc or with any other investment firm in the Group, an investment in the Bonds carries risks that are very different from the risk profile of such a deposit. The Bonds are expected to have greater liquidity than a bank deposit since bank deposits are generally not transferable. However, the Bonds may have no established trading market when issued, and one may never develop.

The Bonds are unsecured and (in the case of the Subordinated Bonds) subordinated obligations of the Issuer. Investments in the Bonds do not benefit from any protection provided pursuant to the UK law which was relied on by the UK immediately before IP Completion Day (to implement Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes, as amended from time to time (such as the UK Financial Services Compensation Scheme)). Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Bonds could lose their entire investment in a worst case scenario.

In addition, the claims of investors in the Bonds may be varied or extinguished pursuant to the exercise of powers under the Banking Act, including (with respect to the Subordinated Bonds) the "write-down and conversion of capital instruments and liabilities" power and (with respect to all Bonds) the "bail-in" power, which could lead to investors in the Bonds losing some or all of their investment. The write-down and conversion of capital instruments and liabilities power does not apply to ordinary bank deposits and the bail-in power must be applied in a specified preference order which would generally result in it being applied to the Bonds prior to its being applied to bank deposits (to the extent that such deposits are subject to the bail-in power at all).

Resettable Bonds.

The rate of interest on the Bonds will be reset by reference to the certain reference rate as described in Condition 5 (*Interest*) in respect of the Conditions of the Bonds. The reset of the rate of interest in accordance with such provisions may affect the secondary market for, and the market value of, such series of the Bonds. Following any such reset of the rate of interest applicable to such series of the Bonds, the reset rate of interest may be lower than the initial rate of interest of such series of the Bonds.

The market continues to develop in relation to near risk free rates, including the TONA, and TONA TSR.

To avoid the problems associated with the potential manipulation and financial stability risks of interbank offered rates ("**IBORs**"), regulatory authorities in a number of key jurisdictions are requiring financial markets to transition away from IBORs to near risk free rates ("**RFRs**") which exclude the element of interbank lending. RFRs may differ from IBORs in a number of material respects. In the case of Japan and Japanese Yen, TONA, with the interest rate for a relevant period calculated on a backward looking (compounded or simple weighted average) basis, rather than on the basis of a forward looking term, is an example of an RFR. As such, investors should be aware that TONA behaves materially differently from LIBOR and other IBORs. Therefore, TONA TSR, which is the swap rate linked to TONA, and is the interest reference rate for the Bonds, may also in turn behave materially differently from swap rates linked to LIBOR or other IBORs.

Investors should also be aware that the market continues to develop in relation to RFRs and swap rates linked to RFRs, such as TONA and TONA TSR, respectively, as reference rates in the capital markets.

The market or a significant part thereof (including the Issuer) may adopt an application of TONA that differs significantly from that set out in the Conditions of Bonds (including in relation to fallbacks in the event that such rate is discontinued or fundamentally altered) and used in relation to the Bonds.

Since TONA had not been actively referred to in the bond market until recently and TONA TSR is new in the market, securities linked to such rates (such as the Bonds, for which the rate of interest is reset by reference to TONA TSR) may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to TONA or TONA TSR may evolve over time, and trading prices of securities linked to TONA or TONA TSR (such as the Bonds) may be lower than those of later-issued debt securities linked to the same rate as a result.

Historical performance is not an indication of future performance of TONA or TONA TSR.

Hypothetical or historical performance data and trends are not indicative of, and have no bearing on, the potential performance of RFRs and therefore Bondholders should not rely on any such data or trends as an indicator of future performance. Daily changes in RFRs have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value of debt securities linked to RFRs may fluctuate more than floating rate or reset rate securities that are linked to less volatile rates. The future performance of any RFR is impossible to predict, and therefore no future performance of any RFR should be inferred from any hypothetical or historical data or trends.

The Issuer has no control over the determination, calculation or publication of TONA or TONA TSR.

The Issuer has no control over the determination, calculation or publication of TONA or TONA TSR. There can be no guarantee that TONA or TONA TSR will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse to the interests of investors in the Bonds. In particular, the Bank of Japan, as the administrator of TONA, may make methodological or other changes that could change the value of TONA, including changes related to the method by which TONA is calculated, eligibility criteria applicable to the transactions used to calculate TONA, or timing related to the publication of TONA,

all of which could have an effect on the swap rate linked to TONA used in determining the Reset Interest Rate of the Bonds. The Bank of Japan has no obligation to consider the interests of Bondholders when calculating, adjusting, converting, revising or discontinuing TONA. In addition, Refinitiv Benchmark Services, as the administrator of TONA TSR, may make methodological or other changes that could change the value of TONA TSR, including changes related to the method by which TONA TSR is calculated, eligibility criteria applicable to the transactions used to calculate TONA TSR, or timing related to the publication of TONA TSR. Refinitiv Benchmark Services has no obligation to consider the interests of Bondholders when calculating, adjusting, converting, revising or discontinuing TONA TSR.

If the manner in which TONA or TONA TSR is calculated is changed, that change may result in a reduction of the Reset Interest Rate of the Bonds and the trading prices of the Bonds.

TONA or TONA TSR may be discontinued.

Discontinuation of TONA or TONA TSR may constitute an Index Cessation Event and result in the rate applicable to the Bonds being replaced with a successor or equivalent rate. These alternative rates are uncertain and no market convention currently exists, or may ever exist, for their determination. Further, in such circumstances the Issuer shall use reasonable endeavours to appoint a Replacement Rate Agent, to make conforming changes to the Conditions of Bonds relating to the calculation and determination of the Reset Interest Rate to give effect to such replacement rate in a manner that may be materially adverse to the interests of investors in the Bonds. Furthermore, if the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the alternative rate, or if the alternative rate is not adopted to maintain the qualification of the Bonds as eligible liabilities or loss absorbing capacity instruments for the purposes of the Loss Absorption Regulations in the case of the Senior Bonds or the qualification of the Bonds as own funds instruments for the purposes of the Applicable Rules in the case of the Subordinated Bonds, the applicable rate to be referenced for the Reset Interest Period would be the last published TONA TSR, even if such rate was published many years ago. This could adversely affect the value of the Bonds.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been submitted to and filed with Euronext Dublin, shall be deemed to be incorporated by reference in, and to form part of, these Listing Particulars:

- the Registration Document of the Issuer dated 28 March 2022, excluding the section entitled "*Directors of the Issuer*";
- the Form 20-F dated 24 February 2021 filed with the SEC (as set out at <https://sec.report/Document/0001628280-21-003046/hsbc-20201231.htm> (the "**2020 Form 20-F**")) containing the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial years ended 31 December 2020 and 31 December 2019;
- the 2021 Form 20-F containing the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial years ended 31 December 2021 and 31 December 2020;
- the earnings release for the three month period ended 31 March 2022 (the "**Q1 2022 Earnings Release**"). The Q1 2022 The Earnings Release is available on the Issuer's website at: <https://www.hsbc.com/investors/results-and-announcements>. The Q1 2022 Earnings Release has also been filed with the SEC and is available in electronic form at <https://www.sec.gov/Archives/edgar/data/1089113/000108911322000007/livedocq12022earningsrelea.htm>; and
- the unaudited consolidated interim report for the six-month period ended 30 June 2022 as filed with SEC on Form 6-K on 1 August 2022 (the "**Unaudited Consolidated Interim Report**"). The Unaudited Consolidated Interim Report is available on the Issuer's website at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>. The Unaudited Consolidated Interim Report has also been filed with the SEC and is available in electronic form at <https://sec.report/Document/0001089113-22-000010/hsbc-20220630.htm>.

The Issuer will, at its registered office, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of these Listing Particulars and any document incorporated by reference in these Listing Particulars. Written or oral requests for inspection of such documents should be directed to the registered office of the Issuer. Additionally, these Listing Particulars and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes' for these Listing Particulars and the Registration Document and 'Results and Announcements', 'All Reporting' for the remaining documents). For the avoidance of doubt, unless specifically incorporated by reference in these Listing Particulars, any websites referred to in these Listing Particulars or any information appearing on such websites and pages do not form part of these Listing Particulars.

Any information incorporated by reference in the above documents does not form part of these Listing Particulars and to the extent that only certain parts of the above documents are specified to be incorporated by reference hereunder, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in these Listing Particulars.

TERMS AND CONDITIONS OF THE BONDS (SEVENTH SERIES 2022)

Below is the English translation of the Terms and Conditions of the Bonds (Seventh Series 2022). In the event of any difference in meaning between the English translation and the original Japanese version, the Japanese version shall prevail.

These Conditions of Bonds shall apply to the issue of HSBC HOLDINGS PLC JAPANESE YEN CALLABLE BONDS – SEVENTH SERIES (2022) (the "**Bonds**") pursuant to lawful authorisation by HSBC Holdings plc (the "**Issuer**").

1. **Aggregate Principal Amount, Date of Issuance, Denomination and Form**

The aggregate principal amount of the Bonds is ¥44,700,000,000.

The date of issuance of the Bonds is September 15, 2022 (the "**Issue Date**").

The Bonds are issued in the denomination of ¥100,000,000 each.

The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") from time to time adopted by the Book-Entry Transfer Institution (as defined in Condition 4).

The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional events as provided under the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. If Bond Certificates are issued, such Bond Certificates shall be only in bearer form with unmatured interest coupons attached and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and then applicable Japanese laws and regulations and then prevailing market practice in Japan, such Japanese laws and regulations and market practice in Japan shall prevail.

All expenses incurred in connection with the issue of Bond Certificates shall be borne by the Issuer.

2. **Status of the Bonds**

The Bonds constitute direct and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future, other than any such obligations preferred by law.

Claims in respect of the Bonds may not be set off, or be the subject of a counterclaim, by the Bondholder against or in respect of any of its obligations to the Issuer, and every Bondholder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set off, or to raise by way of counterclaim any claim of it in respect of the Bonds, against or in respect of any of its obligations to the Issuer. If, notwithstanding the preceding sentence, any Bondholder receives or recovers any sum or the benefit of any sum in respect of the Bonds by virtue of any such set off or counterclaim, it shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding up of the Issuer, to the liquidator of the Issuer.

3. **Appointment of Fiscal Agent, Issuing Agent and Paying Agent and Non-appointment of Commissioned Company for Bondholders**

- (1) Sumitomo Mitsui Banking Corporation acts as fiscal agent, issuing agent and paying agent (the "**Fiscal Agent**", unless the context otherwise requires, the term "**Fiscal Agent**" means an agent acting in all these capacities) of the Issuer in respect of the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal and Reference Agency Agreement (the "**Fiscal Agency Agreement**") dated September 8, 2022 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement to which these Conditions of Bonds are attached shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned company for bondholders is appointed in respect of the Bonds.
- (3) The Issuer may from time to time vary the appointment of the Fiscal Agent, **provided that** the appointment of the Fiscal Agent shall continue until a replacement fiscal agent, issuing agent and paying agent shall be effectively appointed (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules). In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent, issuing agent and paying agent (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.
- (5) As at the effective date of the appointment, the replacement fiscal agent, issuing agent and paying agent shall succeed to and be substituted for the retiring Fiscal Agent, and shall perform its duties and functions provided for in these Conditions of Bonds, the Fiscal Agency Agreement and the Business Rules, with the same effect as if the replacement fiscal agent, issuing agent and paying agent had been named as the fiscal agent, issuing agent and paying agent therein and herein.

4. **Book-Entry Transfer Institution**

In relation to the Bonds, Japan Securities Depository Center, Incorporated (the "**Book-Entry Transfer Institution**") acts as book-entry transfer institution (*furikae kikan*) under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to the Book-Entry Transfer Institution shall be deemed to include any successor book-entry transfer institution as designated by the competent minister pursuant to the Book-Entry Transfer Law.

5. **Interest**

- (1) The Bonds shall bear interest from and including September 16, 2022, payable in Japanese yen semi-annually in arrear on March 15 and September 15 of each year, commencing on March 15, 2023 to and including the Maturity Date (as defined in Condition 6(1)) (each respectively, an "**Interest Payment Date**"), in respect of the 6-month period to and including each Interest Payment Date, unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5). Interest for any period of other than 6 months shall be payable for the actual number of days included in such period computed on the basis of a 365-day year.
- (2) From and including September 16, 2022 to and including the Call Date (as defined in Condition 6(3)) (subject to Condition 5(7)), the Bonds shall bear interest at the rate of 1.478% per annum on their principal amount.

- (3) (a) The rate of interest of the Bonds will be reset on the day immediately following the Call Date, unless the Bonds are fully redeemed or purchased and cancelled in full on or before the Call Date. From and including the day immediately following the Call Date to and including the Maturity Date (subject to Condition 5(7)) (the "**Reset Interest Period**"), the rate of interest of the Bonds (the "**Reset Interest Rate**") will be equal to the sum of the JPY 1-year TONA Tokyo Swap Rate-10:00 (as defined below), converted from an annual rate per annum to semi-annual rate per annum in accordance with the following formula and the resultant (expressed as a percentage per annum) being rounded up to the nearest third decimal place, on the Interest Rate Determination Date (as defined below) and 1.350% per annum; **provided that** such Reset Interest Rate shall not be less than 0%.

$$2 \times [\sqrt{1 + TONA\ TSR} - 1]$$

"**TONA TSR**" is the JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date.

"**JPY 1-year TONA Tokyo Swap Rate-10:00**" means the around 10:00 a.m., Tokyo time, mid-swap rate for JPY 1-year swap transactions where the floating leg references the Tokyo Overnight Average Rate ("**TONA**"), known as the "Tokyo Swap Rate (for swaps referencing TONA)" published on the Refinitiv screen page "JPTSRTOA=RFTB" (or a successor page) (the "**Refinitiv Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by Refinitiv Benchmark Services (UK) Limited as the administrator of the benchmark (or a successor administrator) ("**Refinitiv Benchmark Services**"); **provided that** if the JPY 1-year TONA Tokyo Swap Rate-10:00 is subsequently corrected and published within the longer of one hour of the time when such rate is first published and the republication cut-off time, if any, as specified by Refinitiv Benchmark Services in the relevant benchmark methodology, then that rate will be subject to those corrections.

"**Business Day**" means a day on which banks are open for business in Tokyo, Japan.

"**Interest Rate Determination Date**" means the day which is 2 Business Days prior to the Call Date.

- (b) If the JPY 1-year TONA Tokyo Swap Rate-10:00 is not published and otherwise unavailable, in either case, at or around 10:30 a.m., Tokyo time, on the Interest Rate Determination Date, then unless any of the Index Cessation Events (as defined below) has occurred in addition to the occurrence of the Index Cessation Effective Date (as defined below), the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page.

"**Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the Bank of Japan (or a successor administrator) announcing that it has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA; or
- (ii) a public statement or publication of information by the regulatory supervisor for the successor administrator of TONA, the Bank of Japan, an insolvency official with jurisdiction over the successor administrator of TONA, a resolution authority with jurisdiction over the successor administrator of TONA or a court or an entity with similar insolvency or resolution authority over the successor administrator of TONA, which states that the successor administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no further successor administrator that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00; or
- (iv) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00.

"Index Cessation Effective Date" means, in respect of TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 and an Index Cessation Event, the first date on which TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 would ordinarily have been provided and is no longer provided.

- (c) If TONA is not provided in respect of a Business Day and any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, then, in respect of such Business Day and each Business Day thereafter (subject to Conditions 5(3)(d) and 5(3)(e)), the JPY 1-year TONA Tokyo Swap Rate-10:00 for the Interest Rate Determination Date occurring on or after the Index Cessation Effective Date will be the mid-swap rate (the **"Successor JPY 1-year Tokyo Swap Rate"**) provided by Refinitiv Benchmark Services for JPY 1-year swap transactions where the floating leg references the JPY Recommended Rate (as defined below), which is designated, nominated or recommended as a successor mid-swap rate for the JPY 1-year TONA Tokyo Swap Rate-10:00.

"JPY Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor.

- (d) If any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, and there is a Successor JPY 1-year Tokyo Swap Rate, but Refinitiv Benchmark Services does not publish the Successor JPY 1-year Tokyo Swap Rate (or the Successor JPY 1-year Tokyo Swap Rate is unavailable) at or around 10:30 a.m., Tokyo time on the Interest Rate Determination Date, then unless any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events (as defined below) has occurred, subject to Condition 5(3)(e), references to the Successor JPY 1-year Tokyo Swap Rate on the Interest Rate Determination Date will be deemed to be references to the last published Successor JPY 1-year Tokyo Swap Rate.

"Successor JPY 1-year Tokyo Swap Rate Index Cessation Event" means any of the following:

- (i) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate; or

- (ii) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate.
- (e)
- (i) If, as of the Interest Rate Determination Date, any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, but there is:
 - (x) no JPY Recommended Rate; or
 - (y) no previously published Successor JPY 1-year Tokyo Swap Rate; or
 - (z) a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event (as defined below) subsequently occurs;
 - (ii) if any of the Index Cessation Events has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of the JPY 1-year TONA Tokyo Swap Rate-10:00; or
 - (iii) if there is a Successor JPY 1-year Tokyo Swap Rate but any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events subsequently occurs,

then the JPY 1-year TONA Tokyo Swap Rate-10:00 will be a mid-swap rate for JPY 1-year swap transactions where the floating leg references (x) if no Index Cessation Event in respect of TONA has occurred, TONA, (y) if an Index Cessation Event in respect of TONA has occurred and there is a JPY Recommended Rate and no JPY Recommended Rate Index Cessation Event has occurred, the JPY Recommended Rate or (z) in all other cases, an alternative Japanese yen risk free rate. Such mid-swap rate (the "**Alternative Mid-Swap Rate**") shall be determined by the Replacement Rate Agent (as defined below) acting in good faith, taking into account all available information including industry standard for international debt capital markets transactions and over-the-counter derivative transactions that the Replacement Rate Agent considers sufficient for that rate to be a representative alternative rate. If the Replacement Rate Agent determines that an Adjustment Spread (as defined below) should be applied to the Alternative Mid-Swap Rate, then such Adjustment Spread shall be applied to the Alternative Mid-Swap Rate. If the Replacement Rate Agent is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Alternative Mid-Swap Rate will be referenced without an Adjustment Spread. If the Replacement Rate Agent determines the Alternative Mid-Swap Rate and (if applicable) Adjustment Spread in accordance with the above provisions, the Replacement Rate Agent may also specify changes to these Conditions of Bonds, including (but not limited to) the method for determining the fallback rate in relation to the Bonds, in order to follow market practice in relation to the mid-swap rate for JPY 1-year swap transactions and/or the Adjustment Spread. To the fullest extent permitted by applicable law, neither consent of the Bondholders nor resolution passed at a Bondholders' meeting shall be required in connection with determining the Alternative Mid-Swap Rate and/or applying any Adjustment Spread and/or changing these Conditions of Bonds under this Condition 5(3)(e). In the case where this Condition 5(3)(e) applies, the Issuer shall use reasonable endeavours to appoint a "**Replacement Rate Agent**" on or prior to the Interest Rate Determination Date. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. Notwithstanding any other provision of this Condition 5(3)(e), no Alternative Mid-Swap Rate determined by the Replacement Rate Agent will be

adopted, nor will the applicable Adjustment Spread be applied, nor will any such amendments to these Conditions of Bonds be made, if in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Bonds as eligible liabilities or loss absorbing capacity instruments for the purposes of the Loss Absorption Regulations (as defined Condition 6(4)). If the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the Alternative Mid-Swap Rate on or prior to the Interest Rate Determination Date despite acting in good faith and using reasonable endeavours of the Issuer and the Replacement Rate Agent or if no Alternative Mid-Swap Rate is adopted pursuant to the previous sentence, the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page. The Issuer will immediately notify the Fiscal Agent in writing of any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and Refinitiv Benchmark Services, the Adjustment Spread and the changes to these Conditions of Bonds and shall give public notice of the same to the Bondholders as soon as practicable thereafter.

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Alternative Mid-Swap Rate, and is the spread, formula or methodology which:

- (i) the Replacement Rate Agent (in consultation with the Issuer) determines is customarily applied to the relevant Alternative Mid-Swap Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate; or
- (ii) (if the Replacement Rate Agent determines that there is no customarily applied spread in relation to the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate as envisaged by limb (i) above), the Replacement Rate Agent (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate, where such rate has been replaced by the Alternative Mid-Swap Rate.

"**JPY Recommended Rate Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
 - (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate.
- (4) After the determination of the Reset Interest Rate in accordance with Condition 5(3), the Issuer shall notify the Fiscal Agent in writing of such Reset Interest Rate, whereupon, in no later than 5 Business Days following the commencement of the Reset Interest Period, the Fiscal Agent shall

make such matters available for perusal by the Bondholders at the head office of the Fiscal Agent during normal business hours. In such case, public notices need not be given.

- (5) The Reset Interest Rate determined in accordance with Condition 5(3) shall in the absence of manifest error be final and binding upon all parties, including the Bondholders.
- (6) Sumitomo Mitsui Banking Corporation acts as the Issuer's reference agent (the "**Reference Agent**") at its head office in Tokyo, Japan in respect of the Bonds. Pursuant to the Fiscal Agency Agreement, the Issuer shall entrust the Reference Agent with the performance of all of its obligations (other than those to give public notices) under Conditions 5(3)(a) to 5(3)(e) relating to the ascertainment, calculation and determination of any interest rate (including, but not limited to, the Reset Interest Rate). The Reference Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. Any notice required to be given by the Issuer to the Fiscal Agent under this Condition 5 need not be given if and so long as the Fiscal Agent and the Reference Agent are one and the same bank. The Issuer may from time to time vary the appointment of the Reference Agent, **provided that** the appointment of the Reference Agent shall continue until the replacement reference agent is effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (7) The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption; provided, however, that if the Issuer fails to redeem any of the Bonds when due in accordance with these Conditions of Bonds, then interest accrued on the principal amount of the Bonds then outstanding shall be paid in Japanese yen at the interest rate specified in Condition 5(2) up to and including the Call Date and the Reset Interest Rate thereafter for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bonds, computed on the basis of a 365-day year. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts with the Book-Entry Transfer Institution to make book-entry transfer of the Bonds (*kiko kanyusha*) (the "**Institution Participants**"); **provided that** if such overdue allocation is not possible under the Business Rules, such period shall not exceed 14 days after the date on which the last public notice is given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

6. **Redemption and Purchase**

- (1) Unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5), the Bonds shall be redeemed on September 15, 2026 (the "**Maturity Date**") at a price equal to 100% of the principal amount.
- (2) If, as a result of a change in or amendment to the laws of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax (the "**Taxing Jurisdiction**"), or any change in the official application or interpretation of such laws (including a decision of any court or tribunal), or any change in, or in the official application or interpretation of, or execution of, or amendment to, any treaty or treaties affecting taxation to which the United Kingdom is a party, which change, amendment or execution becomes effective on or after the Issue Date:
 - (a) on a subsequent Interest Payment Date the Issuer would be obliged to pay any Additional Amounts (as defined in Condition 8(1)) pursuant to Condition 8; or
 - (b) if the Issuer were to seek to redeem the Bonds (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem the Bonds), the Issuer would be obliged to pay any Additional Amounts pursuant to Condition 8,

then, subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption; **provided that** no such public notice of redemption as provided below shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts, were a payment in respect of the Bonds then due or the Bonds then redeemed.

In the event of redemption to be made under this Condition 6(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or would be obliged to pay such Additional Amounts pursuant to Condition 8(1), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(2), (iii) the date for such redemption, (iv) either that such circumstances do exist or are reasonably expected to occur on or prior to the date on which the relevant payment of interest of the Bonds would otherwise be made (together with details of facts relating thereto) and (v) that it has obtained any Relevant Supervisory Consent (as defined in Condition 6(7)), and a written opinion of an independent legal adviser or accountant of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(2) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(2) shall be borne by the Issuer.

- (3) Subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, on September 15, 2025 (the "**Call Date**") at a price equal to 100% of the principal amount together with interest accrued to and including the Call Date.

In the event of redemption to be made under this Condition 6(3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that it elects to redeem the Bonds pursuant to this Condition 6(3) and (ii) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the Call Date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the Call Date. Such notice to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(3) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the Call Date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(3) shall be borne by the Issuer.

- (4) Following the occurrence of a Loss Absorption Disqualification Event (as defined below) and subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time within 90 days of the occurrence of the relevant Loss Absorption Disqualification Event at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption.

In the event of redemption to be made under this Condition 6(4), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Loss Absorption Disqualification Event has occurred and is continuing (together with details of facts relating thereto), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(4), (iii) the date for such redemption and (iv) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a

Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(4) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(4) shall be borne by the Issuer.

This Condition 6(4) will not apply if such application would cause a Loss Absorption Disqualification Event to occur.

"Group" means the Issuer and its consolidated subsidiaries.

"Loss Absorption Disqualification Event" shall be deemed to have occurred if the Bonds have become fully or partially ineligible to meet the Issuer's and/or the Group's minimum requirements for (A) eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as determined in accordance with and pursuant to the relevant Loss Absorption Regulations applicable to the Issuer and/or the Group, as a result of any:

- (a) Loss Absorption Regulations becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date,

provided, however, that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Bonds from the relevant minimum requirement(s) is due to the remaining maturity of the Bonds being less than any period prescribed by any applicable eligibility criteria for such minimum requirement(s) under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date.

"Loss Absorption Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company).

- (5) Subject to Condition 6(7), the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase the Bonds at any price in the open market or otherwise and may resell the same, except as otherwise provided for by applicable laws and in the Business Rules.
- (6) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem or repay the principal of the Bonds in whole or in part prior to the maturity thereof.
- (7) The Issuer may only exercise a right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), unless (x) the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's own funds and eligible liabilities or loss absorbing capacity instruments, as the case may be, (y) (if applicable) the Bonds are repurchased for market-making purposes in accordance with any permission given by the Relevant UK Resolution Authority (as defined in Condition 16(1)) pursuant to the Loss Absorption Regulations within the limits prescribed in such permission or (z) the Bonds are being redeemed or repurchased pursuant to any general prior permission granted by the Relevant UK Resolution Authority pursuant to Loss Absorption Regulations within the limits prescribed in such permission, if the Issuer has first obtained any Relevant Supervisory Consent. For these purposes, as between the Issuer and the Bondholders, the Issuer shall be deemed to have complied with above-mentioned conditions (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained any Relevant Supervisory

Consent delivered to the Fiscal Agent shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Bondholders.

"Relevant Supervisory Consent" means, in relation to any redemption or purchase of any Bonds, any required permission of the Relevant UK Resolution Authority for such redemption or purchase under the prevailing Loss Absorption Regulations.

7. **Payment**

- (1) Payment of principal and interest in respect of the Bonds shall be made by the Paying Agent to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other cases through the relevant account management institutions (*kouza kanri kikan*) (the **"Account Management Institutions"**) with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Rules.
- (2) If any due date for the payment of principal of or interest on the Bonds falls on a day which is not a Business Day, the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, nor shall they be entitled to the payment of any further or additional interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Issuer shall, or shall cause the Fiscal Agent to, give public notice to the Bondholders to that effect and of the method of payment and the date of such payment as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt either the method or the date of such payment (or both) is not determinable, the Issuer or the Fiscal Agent shall give public notice to the Bondholders of such receipt and of the method and/or the date of such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date of such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

8. **Taxation**

- (1) All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the **"Additional Amounts"**) in respect of payments of interest only (and not principal) as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required, except that no such Additional Amounts shall be payable in respect of any Bond (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the Taxing Jurisdiction other than the mere holding of such Bond or (ii) (only in the event that the Bond Certificates are issued) more than 30 days after the Relevant Date (as defined below) except to the extent the Bondholder would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

"Relevant Date" means whichever is the later of (i) the date on which the relevant payment of interest first becomes due and (ii) if the full amount payable on such due date has not been duly received by the Paying Agent on or prior to such due date, the date on which, such full amount having been so received by the Paying Agent, the last public notice to that effect has been duly given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

- (2) Any reference in these Conditions of Bonds to interest shall be deemed also to refer to any Additional Amounts which may be payable in respect of interest under this Condition 8. All expenses necessary for the procedures under this Condition 8 shall be borne by the Issuer.
- (3) Notwithstanding any other provision in these Conditions of Bonds, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986

Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify a Bondholder for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

9. **Enforcement**

- (1) If default is made for a period of 14 days or more in the payment of any principal or interest due on the Bonds, any Bondholder may, in order to enforce payment, at its discretion and without further notice, institute proceedings for the winding up of the Issuer in England; **provided that** it shall not be such a default to withhold or refuse any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers of recognised standing as to such validity or applicability.
- (2) Any Bondholder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding up of the Issuer in England and/or prove in any winding up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Bonds (other than any obligation for the payment of any principal, interest or expenses in respect of such Bonds or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Bonds or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Bondholders may only institute proceedings for the winding up of the Issuer to enforce the obligations above referred to in this Condition 9(2) and/or prove in any winding up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied within 60 days (or such longer period as approved by an Extraordinary Resolution (as defined in Condition 10(3))) after notice of such default has been given to the Issuer by any Bondholder at the head office of the Fiscal Agent requiring such default to be remedied (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the certificate (the "**Certificate**") certifying the holding of the relevant Bond and issued by the Book-Entry Transfer Institution or the relevant Account Management Institution).
- (3) If an order is made or an effective resolution is passed for the winding up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved by an Extraordinary Resolution), any Bondholder may, at its option, by giving written notice by or on behalf of such Bondholder to the Issuer at the head office of the Fiscal Agent (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the Certificate), declare that any Bond(s) held by such Bondholder shall be forthwith due and payable, whereupon the same shall become immediately due and payable at a price equal to 100% of the principal amount together with interest accrued to and including such date.
- (4) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 9 shall be available to the Bondholders whether for the recovery of amounts owing in respect of the Bonds or in respect of any breach by the Issuer of any obligation, condition or provision under the Bonds or otherwise.
- (5) All expenses necessary for the procedures under this Condition 9 shall be borne by the Issuer.

10. **Bondholders' Meetings**

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of the Bondholders in the event that: (a) Bondholders holding one-tenth (1/10) or more of the aggregate principal amount of the Bonds then outstanding, acting either jointly or

individually, so request in writing to the Fiscal Agent on behalf of the Issuer at the head office of the Fiscal Agent, **provided that** such Bondholders shall have presented to the Fiscal Agent the Certificates; or (b) the Issuer should deem it necessary to hold a Bondholders' meeting, in each case, by giving written notice at least 35 days prior to the proposed date of the meeting to the Fiscal Agent.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice to the Bondholders of the Bondholders' meeting at least 21 days prior to the date of such meeting and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds (for the time being outstanding) held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless the Bondholder returns the relevant Certificate to the Book-Entry Transfer Institution or the relevant Account Management Institution of such Bondholder. The Issuer may have its representative attend such meeting and express its opinion thereat.
- (3) Resolutions at such Bondholders' meeting shall be passed by more than one-half (1/2) of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution is required with respect to the following items:
 - (a) giving a grace of payment, an exemption from obligations or liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters referred to in (b) below);
 - (b) any acts of litigation to be made with respect to all the Bonds, or all acts pertaining to the bankruptcy, corporate reorganisation or similar proceedings of the Issuer;
 - (c) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them; and
 - (d) any other matters where the Extraordinary Resolution is required under the provisions of these Conditions of Bonds.

"Extraordinary Resolution" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the aggregate amount of the voting rights held by the Voting Rights Holders representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

Notwithstanding the foregoing, in the case where the Issuer or the Bondholders make a proposal with respect to any matter that is the subject of a Bondholders' meeting, if all the Bondholders

express their consent to such proposal in writing or (in the event the Issuer permits the expression of their consent by electronic method) by an electronic method, it shall be deemed that a resolution to approve such proposal has been passed at a Bondholders' meeting. If it is deemed that a resolution has been passed at a Bondholders' meeting pursuant to this paragraph, the Issuer shall immediately notify the Fiscal Agent to that effect and of the contents of such resolution.

- (4) The resolution passed or deemed to be passed pursuant to this Condition 10 shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 10, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.
- (7) All expenses necessary for the procedures under this Condition 10 shall be borne by the Issuer.

11. **Merger, Consolidation, Etc.**

The Issuer may, without the consent of the Bondholders, consolidate or amalgamate with or merge into any other corporation or convey or sell or transfer or lease its properties and assets substantially as an entirety to any other corporation, **provided that:**

- (a) the corporation formed by such consolidation or amalgamation or into which the Issuer is merged or to which conveyance, transfer or lease of the properties and assets of the Issuer, substantially as an entirety, is made (i) shall expressly assume, by a supplemental agreement executed by such successor corporation and/or the Issuer with the Fiscal Agent, the due and punctual payment of any principal or interest in respect of all the Bonds and the performance of every obligation and covenant under these Conditions of Bonds on the part of the Issuer to be performed or observed and (ii) the definition of "**Taxing Jurisdiction**" shall be amended, if applicable, to replace the United Kingdom with the jurisdiction in which such successor corporation is resident for tax purposes;
- (b) immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of the successor corporation, as a result of such transaction as having been incurred by the successor corporation at the time of such transaction, no event specified in Condition 9(1) or 9(3) or failure by the successor corporation to remedy a default within the time specified in Condition 9(2), and no event that, after notice or lapse of time, or both, would become such event or failure, shall have occurred and be continuing; and
- (c) the Issuer and the successor corporation have delivered to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating, and a written opinion of independent legal advisers of recognised standing confirming, that such consolidation, merger, conveyance, transfer or lease comply with this Condition 11.

Such certificate and opinion delivered to the Fiscal Agent pursuant to this Condition 11 shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

Upon any consolidation or amalgamation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety to any other corporation in accordance with this Condition 11, the successor corporation formed by such consolidation or amalgamation or into which the Issuer is merged or the successor corporation to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions of Bonds with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions of Bonds.

12. **Registration Book**

The registration book for the Bonds shall be prepared, administered and kept by the Fiscal Agent at its head office on behalf of the Issuer.

13. **Prescription**

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

14. **Public Notices**

All public notices relating to the Bonds shall be published once in the Japanese Official Gazette (if possible) and once in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs. Direct notification to individual Bondholders need not be made. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer. The Fiscal Agency Agreement provides that the Issuer shall request the Fiscal Agent in writing to give such public notices on behalf of the Issuer whenever necessary under these Conditions of Bonds.

15. **Currency Indemnity**

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered in Japanese yen and the Issuer undertakes to pay to such Bondholder the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which any amount expressed in Japanese yen is (or is to be treated as) converted into such currency other than Japanese yen for the purposes of any such judgment or order, and (ii) the date or dates of discharge of such judgment or order (or part thereof). To the extent permitted by any applicable law, the above undertaking shall constitute a separate and independent obligation of the Issuer from its other obligations, shall give rise to a separate and independent cause of action against the Issuer, shall apply irrespective of any indulgence granted by any Bondholder from time to time and shall continue in full force and effect notwithstanding any judgment or order.

16. **Agreement with Respect to the Exercise of the UK Bail-in Power**

(1) Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) acknowledges and accepts that the Amounts Due (as defined below) arising under any Bonds may be subject to the exercise of UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due into the Issuer's or another person's shares, other securities or other obligations (and the issue to, or conferral on, the Bondholder of such shares, other securities or other obligations), including by means of an amendment, modification or variation of these Conditions of Bonds; (iii) the cancellation of the Bonds; and/or (iv) the amendment or alteration of the date for redemption of the Bonds or amendment of the amount of interest payable on the Bonds, or the Interest Payment Dates, including by suspending payment for a temporary period; and
- (b) the variation of these Conditions of Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent

such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"Amounts Due" means the principal amount of, and any accrued but unpaid interest, including any Additional Amounts, on, the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

"Bail-In Legislation" means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act (as defined below).

"Banking Act" means the UK Banking Act 2009, as amended.

"Relevant UK Resolution Authority" means any authority with the ability to exercise a UK Bail-in Power.

"UK Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

- (2) Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Bond will constitute a default under the Bonds for any purpose.
- (3) Upon the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Bonds, the Issuer shall immediately notify the Fiscal Agent in writing of such exercise and give public notice of the same to the Bondholders through the Fiscal Agent. For avoidance of doubt, any delay or failure by the Issuer in delivering any notice or public notice referred to in this Condition 16(3) shall not affect the validity and enforceability of the UK Bail-in Power.
- (4) By its acquisition of the Bonds, to the fullest extent permitted by applicable law (including, without limitation, the Business Rules), each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) shall be deemed to have authorized, directed and requested the Book-Entry Transfer Institution and the Institution Participant or the Account Management Institution, as the case may be, to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Bonds as it may be imposed, without any further action or direction on the part of such Bondholder or beneficial owner, and the Fiscal Agent.
- (5) Any Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) that acquires the Bonds in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any Bondholder shall be deemed to acknowledge, agree to be bound by and consent to the same provisions in this Condition 16 to the same extent as the Bondholders that acquire the Bonds upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to these Conditions of Bonds related to the UK Bail-in Power.

17. **Governing Law and Jurisdiction**

Except as to the authorisation relating to the issue of the Bonds by the Issuer, the Bonds and all the rights and obligations of all the parties concerned, including the Bondholders, arising thereunder shall in all respects be governed by and construed in accordance with the laws of Japan.

Except as otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal or other court procedural action against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted, on a non-exclusive basis, in the Tokyo District Court, to the jurisdiction of which the Issuer hereby expressly, unconditionally and irrevocably agrees to submit.

The Issuer hereby appoints the Representative in Japan of The Hongkong and Shanghai Banking Corporation Limited as the authorised agent of the Issuer upon whom process or any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; the Issuer hereby designates the address from time to time of the Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited, currently at HSBC Building, 11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-0027, Japan, as the address to receive such process or any judicial or other court documents; and the Issuer hereby agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it hereby undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. In such case the Issuer shall promptly notify the Fiscal Agent in writing of the appointment of such successor agent and give public notice thereof.

Nothing in this Condition 17 shall affect the right of the Bondholders to institute legal or other court procedural action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process or any judicial or other court documents in any manner otherwise permitted by law.

18. **Modifications and Amendments**

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained herein, adding covenants for the benefit of the Bondholders, surrendering rights or powers conferred on the Issuer, or in any other manner which the Issuer may deem necessary and desirable and which will not adversely affect the interest of the Bondholders. The Issuer shall immediately notify the Fiscal Agent in writing of any such modification and amendment and give public notice of the same to the Bondholders as soon as practicable thereafter. All expenses necessary for the procedures under this Condition 18 shall be borne by the Issuer.

TERMS AND CONDITIONS OF THE BONDS (EIGHTH SERIES 2022)

Below is the English translation of the Terms and Conditions of the Bonds (Eighth Series 2022). In the event of any difference in meaning between the English translation and the original Japanese version, the Japanese version shall prevail.

These Conditions of Bonds shall apply to the issue of HSBC HOLDINGS PLC JAPANESE YEN CALLABLE BONDS – EIGHTH SERIES (2022) (the "**Bonds**") pursuant to lawful authorisation by HSBC Holdings plc (the "**Issuer**").

1. **Aggregate Principal Amount, Date of Issuance, Denomination and Form**

The aggregate principal amount of the Bonds is ¥41,500,000,000.

The date of issuance of the Bonds is September 15, 2022 (the "**Issue Date**").

The Bonds are issued in the denomination of ¥100,000,000 each.

The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") from time to time adopted by the Book-Entry Transfer Institution (as defined in Condition 4).

The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional events as provided under the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. If Bond Certificates are issued, such Bond Certificates shall be only in bearer form with unmatured interest coupons attached and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and then applicable Japanese laws and regulations and then prevailing market practice in Japan, such Japanese laws and regulations and market practice in Japan shall prevail.

All expenses incurred in connection with the issue of Bond Certificates shall be borne by the Issuer.

2. **Status of the Bonds**

The Bonds constitute direct and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future, other than any such obligations preferred by law.

Claims in respect of the Bonds may not be set off, or be the subject of a counterclaim, by the Bondholder against or in respect of any of its obligations to the Issuer, and every Bondholder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set off, or to raise by way of counterclaim any claim of it in respect of the Bonds, against or in respect of any of its obligations to the Issuer. If, notwithstanding the preceding sentence, any Bondholder receives or recovers any sum or the benefit of any sum in respect of the Bonds by virtue of any such set off or counterclaim, it shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding up of the Issuer, to the liquidator of the Issuer.

3. **Appointment of Fiscal Agent, Issuing Agent and Paying Agent and Non-appointment of Commissioned Company for Bondholders**

- (1) Sumitomo Mitsui Banking Corporation acts as fiscal agent, issuing agent and paying agent (the "**Fiscal Agent**", unless the context otherwise requires, the term "**Fiscal Agent**" means an agent acting in all these capacities) of the Issuer in respect of the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal and Reference Agency Agreement (the "**Fiscal Agency Agreement**") dated September 8, 2022 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement to which these Conditions of Bonds are attached shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned company for bondholders is appointed in respect of the Bonds.
- (3) The Issuer may from time to time vary the appointment of the Fiscal Agent, **provided that** the appointment of the Fiscal Agent shall continue until a replacement fiscal agent, issuing agent and paying agent shall be effectively appointed (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules). In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent, issuing agent and paying agent (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.
- (5) As at the effective date of the appointment, the replacement fiscal agent, issuing agent and paying agent shall succeed to and be substituted for the retiring Fiscal Agent, and shall perform its duties and functions provided for in these Conditions of Bonds, the Fiscal Agency Agreement and the Business Rules, with the same effect as if the replacement fiscal agent, issuing agent and paying agent had been named as the fiscal agent, issuing agent and paying agent therein and herein.

4. **Book-Entry Transfer Institution**

In relation to the Bonds, Japan Securities Depository Center, Incorporated (the "**Book-Entry Transfer Institution**") acts as book-entry transfer institution (*furikae kikan*) under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to the Book-Entry Transfer Institution shall be deemed to include any successor book-entry transfer institution as designated by the competent minister pursuant to the Book-Entry Transfer Law.

5. **Interest**

- (1) The Bonds shall bear interest from and including September 16, 2022, payable in Japanese yen semi-annually in arrear on March 15 and September 15 of each year, commencing on March 15, 2023 to and including the Maturity Date (as defined in Condition 6(1)) (each respectively, an "**Interest Payment Date**"), in respect of the 6-month period to and including each Interest Payment Date, unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5). Interest for any period of other than 6 months shall be payable for the actual number of days included in such period computed on the basis of a 365-day year.
- (2) From and including September 16, 2022 to and including the Call Date (as defined in Condition 6(3)) (subject to Condition 5(7)), the Bonds shall bear interest at the rate of 1.958% per annum on their principal amount.

- (3) (a) The rate of interest of the Bonds will be reset on the day immediately following the Call Date, unless the Bonds are fully redeemed or purchased and cancelled in full on or before the Call Date. From and including the day immediately following the Call Date to and including the Maturity Date (subject to Condition 5(7)) (the "**Reset Interest Period**"), the rate of interest of the Bonds (the "**Reset Interest Rate**") will be equal to the sum of the JPY 1-year TONA Tokyo Swap Rate-10:00 (as defined below), converted from an annual rate per annum to semi-annual rate per annum in accordance with the following formula and the resultant (expressed as a percentage per annum) being rounded up to the nearest third decimal place, on the Interest Rate Determination Date (as defined below) and 1.750% per annum; **provided that** such Reset Interest Rate shall not be less than 0%.

$$2 \times [\sqrt{1 + TONA\ TSR} - 1]$$

"**TONA TSR**" is the JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date.

"**JPY 1-year TONA Tokyo Swap Rate-10:00**" means the around 10:00 a.m., Tokyo time, mid-swap rate for JPY 1-year swap transactions where the floating leg references the Tokyo Overnight Average Rate ("**TONA**"), known as the "Tokyo Swap Rate (for swaps referencing TONA)" published on the Refinitiv screen page "JPTSRTOA=RFTB" (or a successor page) (the "**Refinitiv Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by Refinitiv Benchmark Services (UK) Limited as the administrator of the benchmark (or a successor administrator) ("**Refinitiv Benchmark Services**"); **provided that** if the JPY 1-year TONA Tokyo Swap Rate-10:00 is subsequently corrected and published within the longer of one hour of the time when such rate is first published and the republication cut-off time, if any, as specified by Refinitiv Benchmark Services in the relevant benchmark methodology, then that rate will be subject to those corrections.

"**Business Day**" means a day on which banks are open for business in Tokyo, Japan.

"**Interest Rate Determination Date**" means the day which is 2 Business Days prior to the Call Date.

- (b) If the JPY 1-year TONA Tokyo Swap Rate-10:00 is not published and otherwise unavailable, in either case, at or around 10:30 a.m., Tokyo time, on the Interest Rate Determination Date, then unless any of the Index Cessation Events (as defined below) has occurred in addition to the occurrence of the Index Cessation Effective Date (as defined below), the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page.

"**Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the Bank of Japan (or a successor administrator) announcing that it has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA; or
- (ii) a public statement or publication of information by the regulatory supervisor for the successor administrator of TONA, the Bank of Japan, an insolvency official with jurisdiction over the successor administrator of TONA, a resolution authority with jurisdiction over the successor administrator of TONA or a court or an entity with similar insolvency or resolution authority over the successor administrator of TONA, which states that the successor administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no further successor administrator that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00; or
- (iv) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00.

"Index Cessation Effective Date" means, in respect of TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 and an Index Cessation Event, the first date on which TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 would ordinarily have been provided and is no longer provided.

- (c) If TONA is not provided in respect of a Business Day and any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, then, in respect of such Business Day and each Business Day thereafter (subject to Conditions 5(3)(d) and 5(3)(e)), the JPY 1-year TONA Tokyo Swap Rate-10:00 for the Interest Rate Determination Date occurring on or after the Index Cessation Effective Date will be the mid-swap rate (the **"Successor JPY 1-year Tokyo Swap Rate"**) provided by Refinitiv Benchmark Services for JPY 1-year swap transactions where the floating leg references the JPY Recommended Rate (as defined below), which is designated, nominated or recommended as a successor mid-swap rate for the JPY 1-year TONA Tokyo Swap Rate-10:00.

"JPY Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor.

- (d) If any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, and there is a Successor JPY 1-year Tokyo Swap Rate, but Refinitiv Benchmark Services does not publish the Successor JPY 1-year Tokyo Swap Rate (or the Successor JPY 1-year Tokyo Swap Rate is unavailable) at or around 10:30 a.m., Tokyo time on the Interest Rate Determination Date, then unless any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events (as defined below) has occurred, subject to Condition 5(3)(e), references to the Successor JPY 1-year Tokyo Swap Rate on the Interest Rate Determination Date will be deemed to be references to the last published Successor JPY 1-year Tokyo Swap Rate.

"Successor JPY 1-year Tokyo Swap Rate Index Cessation Event" means any of the following:

- (i) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate; or

- (ii) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate.
- (e)
 - (i) If, as of the Interest Rate Determination Date, any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, but there is:
 - (x) no JPY Recommended Rate; or
 - (y) no previously published Successor JPY 1-year Tokyo Swap Rate; or
 - (z) a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event (as defined below) subsequently occurs;
 - (ii) if any of the Index Cessation Events has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of the JPY 1-year TONA Tokyo Swap Rate-10:00; or
 - (iii) if there is a Successor JPY 1-year Tokyo Swap Rate but any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events subsequently occurs,

then the JPY 1-year TONA Tokyo Swap Rate-10:00 will be a mid-swap rate for JPY 1-year swap transactions where the floating leg references (x) if no Index Cessation Event in respect of TONA has occurred, TONA, (y) if an Index Cessation Event in respect of TONA has occurred and there is a JPY Recommended Rate and no JPY Recommended Rate Index Cessation Event has occurred, the JPY Recommended Rate or (z) in all other cases, an alternative Japanese yen risk free rate. Such mid-swap rate (the "**Alternative Mid-Swap Rate**") shall be determined by the Replacement Rate Agent (as defined below) acting in good faith, taking into account all available information including industry standard for international debt capital markets transactions and over-the-counter derivative transactions that the Replacement Rate Agent considers sufficient for that rate to be a representative alternative rate. If the Replacement Rate Agent determines that an Adjustment Spread (as defined below) should be applied to the Alternative Mid-Swap Rate, then such Adjustment Spread shall be applied to the Alternative Mid-Swap Rate. If the Replacement Rate Agent is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Alternative Mid-Swap Rate will be referenced without an Adjustment Spread. If the Replacement Rate Agent determines the Alternative Mid-Swap Rate and (if applicable) Adjustment Spread in accordance with the above provisions, the Replacement Rate Agent may also specify changes to these Conditions of Bonds, including (but not limited to) the method for determining the fallback rate in relation to the Bonds, in order to follow market practice in relation to the mid-swap rate for JPY 1-year swap transactions and/or the Adjustment Spread. To the fullest extent permitted by applicable law, neither consent of the Bondholders nor resolution passed at a Bondholders' meeting shall be required in connection with determining the Alternative Mid-Swap Rate and/or applying any Adjustment Spread and/or changing these Conditions of Bonds under this Condition 5(3)(e). In the case where this Condition 5(3)(e) applies, the Issuer shall use reasonable endeavours to appoint a "**Replacement Rate Agent**" on or prior to the Interest Rate Determination Date. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. Notwithstanding any other provision of this Condition 5(3)(e), no Alternative Mid-Swap Rate determined by the Replacement Rate Agent will be

adopted, nor will the applicable Adjustment Spread be applied, nor will any such amendments to these Conditions of Bonds be made, if in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Bonds as eligible liabilities or loss absorbing capacity instruments for the purposes of the Loss Absorption Regulations (as defined Condition 6(4)). If the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the Alternative Mid-Swap Rate on or prior to the Interest Rate Determination Date despite acting in good faith and using reasonable endeavours of the Issuer and the Replacement Rate Agent or if no Alternative Mid-Swap Rate is adopted pursuant to the previous sentence, the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page. The Issuer will immediately notify the Fiscal Agent in writing of any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and Refinitiv Benchmark Services, the Adjustment Spread and the changes to these Conditions of Bonds and shall give public notice of the same to the Bondholders as soon as practicable thereafter.

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Alternative Mid-Swap Rate, and is the spread, formula or methodology which:

- (i) the Replacement Rate Agent (in consultation with the Issuer) determines is customarily applied to the relevant Alternative Mid-Swap Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate; or
- (ii) (if the Replacement Rate Agent determines that there is no customarily applied spread in relation to the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate as envisaged by limb (i) above), the Replacement Rate Agent (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate, where such rate has been replaced by the Alternative Mid-Swap Rate.

"**JPY Recommended Rate Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
 - (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate.
- (4) After the determination of the Reset Interest Rate in accordance with Condition 5(3), the Issuer shall notify the Fiscal Agent in writing of such Reset Interest Rate, whereupon, in no later than 5 Business Days following the commencement of the Reset Interest Period, the Fiscal Agent shall

make such matters available for perusal by the Bondholders at the head office of the Fiscal Agent during normal business hours. In such case, public notices need not be given.

- (5) The Reset Interest Rate determined in accordance with Condition 5(3) shall in the absence of manifest error be final and binding upon all parties, including the Bondholders.
- (6) Sumitomo Mitsui Banking Corporation acts as the Issuer's reference agent (the "**Reference Agent**") at its head office in Tokyo, Japan in respect of the Bonds. Pursuant to the Fiscal Agency Agreement, the Issuer shall entrust the Reference Agent with the performance of all of its obligations (other than those to give public notices) under Conditions 5(3)(a) to 5(3)(e) relating to the ascertainment, calculation and determination of any interest rate (including, but not limited to, the Reset Interest Rate). The Reference Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. Any notice required to be given by the Issuer to the Fiscal Agent under this Condition 5 need not be given if and so long as the Fiscal Agent and the Reference Agent are one and the same bank. The Issuer may from time to time vary the appointment of the Reference Agent, **provided that** the appointment of the Reference Agent shall continue until the replacement reference agent is effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (7) The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption; provided, however, that if the Issuer fails to redeem any of the Bonds when due in accordance with these Conditions of Bonds, then interest accrued on the principal amount of the Bonds then outstanding shall be paid in Japanese yen at the interest rate specified in Condition 5(2) up to and including the Call Date and the Reset Interest Rate thereafter for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bonds, computed on the basis of a 365-day year. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts with the Book-Entry Transfer Institution to make book-entry transfer of the Bonds (*kiko kanyusha*) (the "**Institution Participants**"); **provided that** if such overdue allocation is not possible under the Business Rules, such period shall not exceed 14 days after the date on which the last public notice is given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

6. **Redemption and Purchase**

- (1) Unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5), the Bonds shall be redeemed on September 15, 2028 (the "**Maturity Date**") at a price equal to 100% of the principal amount.
- (2) If, as a result of a change in or amendment to the laws of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax (the "**Taxing Jurisdiction**"), or any change in the official application or interpretation of such laws (including a decision of any court or tribunal), or any change in, or in the official application or interpretation of, or execution of, or amendment to, any treaty or treaties affecting taxation to which the United Kingdom is a party, which change, amendment or execution becomes effective on or after the Issue Date:
 - (a) on a subsequent Interest Payment Date the Issuer would be obliged to pay any Additional Amounts (as defined in Condition 8(1)) pursuant to Condition 8; or
 - (b) if the Issuer were to seek to redeem the Bonds (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem the Bonds), the Issuer would be obliged to pay any Additional Amounts pursuant to Condition 8,

then, subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption; **provided that** no such public notice of redemption as provided below shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts, were a payment in respect of the Bonds then due or the Bonds then redeemed.

In the event of redemption to be made under this Condition 6(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or would be obliged to pay such Additional Amounts pursuant to Condition 8(1), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(2), (iii) the date for such redemption, (iv) either that such circumstances do exist or are reasonably expected to occur on or prior to the date on which the relevant payment of interest of the Bonds would otherwise be made (together with details of facts relating thereto) and (v) that it has obtained any Relevant Supervisory Consent (as defined in Condition 6(7)), and a written opinion of an independent legal adviser or accountant of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(2) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(2) shall be borne by the Issuer.

- (3) Subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, on September 15, 2027 (the "**Call Date**") at a price equal to 100% of the principal amount together with interest accrued to and including the Call Date.

In the event of redemption to be made under this Condition 6(3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that it elects to redeem the Bonds pursuant to this Condition 6(3) and (ii) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the Call Date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the Call Date. Such notice to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(3) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the Call Date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(3) shall be borne by the Issuer.

- (4) Following the occurrence of a Loss Absorption Disqualification Event (as defined below) and subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time within 90 days of the occurrence of the relevant Loss Absorption Disqualification Event at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption.

In the event of redemption to be made under this Condition 6(4), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Loss Absorption Disqualification Event has occurred and is continuing (together with details of facts relating thereto), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(4), (iii) the date for such redemption and (iv) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a

Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(4) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(4) shall be borne by the Issuer.

This Condition 6(4) will not apply if such application would cause a Loss Absorption Disqualification Event to occur.

"Group" means the Issuer and its consolidated subsidiaries.

"Loss Absorption Disqualification Event" shall be deemed to have occurred if the Bonds have become fully or partially ineligible to meet the Issuer's and/or the Group's minimum requirements for (A) eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as determined in accordance with and pursuant to the relevant Loss Absorption Regulations applicable to the Issuer and/or the Group, as a result of any:

- (a) Loss Absorption Regulations becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date,

provided, however, that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Bonds from the relevant minimum requirement(s) is due to the remaining maturity of the Bonds being less than any period prescribed by any applicable eligibility criteria for such minimum requirement(s) under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date.

"Loss Absorption Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company).

- (5) Subject to Condition 6(7), the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase the Bonds at any price in the open market or otherwise and may resell the same, except as otherwise provided for by applicable laws and in the Business Rules.
- (6) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem or repay the principal of the Bonds in whole or in part prior to the maturity thereof.
- (7) The Issuer may only exercise a right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), unless (x) the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's own funds and eligible liabilities or loss absorbing capacity instruments, as the case may be, (y) (if applicable) the Bonds are repurchased for market-making purposes in accordance with any permission given by the Relevant UK Resolution Authority (as defined in Condition 16(1)) pursuant to the Loss Absorption Regulations within the limits prescribed in such permission or (z) the Bonds are being redeemed or repurchased pursuant to any general prior permission granted by the Relevant UK Resolution Authority pursuant to Loss Absorption Regulations within the limits prescribed in such permission, if the Issuer has first obtained any Relevant Supervisory Consent. For these purposes, as between the Issuer and the Bondholders, the Issuer shall be deemed to have complied with above-mentioned conditions (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained any Relevant Supervisory

Consent delivered to the Fiscal Agent shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Bondholders.

"**Relevant Supervisory Consent**" means, in relation to any redemption or purchase of any Bonds, any required permission of the Relevant UK Resolution Authority for such redemption or purchase under the prevailing Loss Absorption Regulations.

7. **Payment**

- (1) Payment of principal and interest in respect of the Bonds shall be made by the Paying Agent to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other cases through the relevant account management institutions (*kouza kanri kikan*) (the "**Account Management Institutions**") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Rules.
- (2) If any due date for the payment of principal of or interest on the Bonds falls on a day which is not a Business Day, the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, nor shall they be entitled to the payment of any further or additional interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Issuer shall, or shall cause the Fiscal Agent to, give public notice to the Bondholders to that effect and of the method of payment and the date of such payment as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt either the method or the date of such payment (or both) is not determinable, the Issuer or the Fiscal Agent shall give public notice to the Bondholders of such receipt and of the method and/or the date of such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date of such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

8. **Taxation**

- (1) All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") in respect of payments of interest only (and not principal) as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required, except that no such Additional Amounts shall be payable in respect of any Bond (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the Taxing Jurisdiction other than the mere holding of such Bond or (ii) (only in the event that the Bond Certificates are issued) more than 30 days after the Relevant Date (as defined below) except to the extent the Bondholder would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

"**Relevant Date**" means whichever is the later of (i) the date on which the relevant payment of interest first becomes due and (ii) if the full amount payable on such due date has not been duly received by the Paying Agent on or prior to such due date, the date on which, such full amount having been so received by the Paying Agent, the last public notice to that effect has been duly given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

- (2) Any reference in these Conditions of Bonds to interest shall be deemed also to refer to any Additional Amounts which may be payable in respect of interest under this Condition 8. All expenses necessary for the procedures under this Condition 8 shall be borne by the Issuer.
- (3) Notwithstanding any other provision in these Conditions of Bonds, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-

governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify a Bondholder for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

9. **Enforcement**

- (1) If default is made for a period of 14 days or more in the payment of any principal or interest due on the Bonds, any Bondholder may, in order to enforce payment, at its discretion and without further notice, institute proceedings for the winding up of the Issuer in England; **provided that** it shall not be such a default to withhold or refuse any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers of recognised standing as to such validity or applicability.
- (2) Any Bondholder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding up of the Issuer in England and/or prove in any winding up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Bonds (other than any obligation for the payment of any principal, interest or expenses in respect of such Bonds or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Bonds or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Bondholders may only institute proceedings for the winding up of the Issuer to enforce the obligations above referred to in this Condition 9(2) and/or prove in any winding up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied within 60 days (or such longer period as approved by an Extraordinary Resolution (as defined in Condition 10(3))) after notice of such default has been given to the Issuer by any Bondholder at the head office of the Fiscal Agent requiring such default to be remedied (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the certificate (the "**Certificate**") certifying the holding of the relevant Bond and issued by the Book-Entry Transfer Institution or the relevant Account Management Institution).
- (3) If an order is made or an effective resolution is passed for the winding up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved by an Extraordinary Resolution), any Bondholder may, at its option, by giving written notice by or on behalf of such Bondholder to the Issuer at the head office of the Fiscal Agent (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the Certificate), declare that any Bond(s) held by such Bondholder shall be forthwith due and payable, whereupon the same shall become immediately due and payable at a price equal to 100% of the principal amount together with interest accrued to and including such date.
- (4) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 9 shall be available to the Bondholders whether for the recovery of amounts owing in respect of the Bonds or in respect of any breach by the Issuer of any obligation, condition or provision under the Bonds or otherwise.
- (5) All expenses necessary for the procedures under this Condition 9 shall be borne by the Issuer.

10. **Bondholders' Meetings**

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of the Bondholders in the event that: (a) Bondholders holding one-tenth (1/10) or more of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent on behalf of the Issuer at the head office of the Fiscal

Agent, **provided that** such Bondholders shall have presented to the Fiscal Agent the Certificates; or (b) the Issuer should deem it necessary to hold a Bondholders' meeting, in each case, by giving written notice at least 35 days prior to the proposed date of the meeting to the Fiscal Agent.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice to the Bondholders of the Bondholders' meeting at least 21 days prior to the date of such meeting and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds (for the time being outstanding) held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless the Bondholder returns the relevant Certificate to the Book-Entry Transfer Institution or the relevant Account Management Institution of such Bondholder. The Issuer may have its representative attend such meeting and express its opinion thereat.
- (3) Resolutions at such Bondholders' meeting shall be passed by more than one-half (1/2) of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution is required with respect to the following items:
 - (a) giving a grace of payment, an exemption from obligations or liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters referred to in (b) below);
 - (b) any acts of litigation to be made with respect to all the Bonds, or all acts pertaining to the bankruptcy, corporate reorganisation or similar proceedings of the Issuer;
 - (c) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them; and
 - (d) any other matters where the Extraordinary Resolution is required under the provisions of these Conditions of Bonds.

"**Extraordinary Resolution**" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the aggregate amount of the voting rights held by the Voting Rights Holders representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

Notwithstanding the foregoing, in the case where the Issuer or the Bondholders make a proposal with respect to any matter that is the subject of a Bondholders' meeting, if all the Bondholders express their consent to such proposal in writing or (in the event the Issuer permits the expression

of their consent by electronic method) by an electronic method, it shall be deemed that a resolution to approve such proposal has been passed at a Bondholders' meeting. If it is deemed that a resolution has been passed at a Bondholders' meeting pursuant to this paragraph, the Issuer shall immediately notify the Fiscal Agent to that effect and of the contents of such resolution.

- (4) The resolution passed or deemed to be passed pursuant to this Condition 10 shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 10, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.
- (7) All expenses necessary for the procedures under this Condition 10 shall be borne by the Issuer.

11. **Merger, Consolidation, Etc.**

The Issuer may, without the consent of the Bondholders, consolidate or amalgamate with or merge into any other corporation or convey or sell or transfer or lease its properties and assets substantially as an entirety to any other corporation, **provided that**:

- (a) the corporation formed by such consolidation or amalgamation or into which the Issuer is merged or to which conveyance, transfer or lease of the properties and assets of the Issuer, substantially as an entirety, is made (i) shall expressly assume, by a supplemental agreement executed by such successor corporation and/or the Issuer with the Fiscal Agent, the due and punctual payment of any principal or interest in respect of all the Bonds and the performance of every obligation and covenant under these Conditions of Bonds on the part of the Issuer to be performed or observed and (ii) the definition of "**Taxing Jurisdiction**" shall be amended, if applicable, to replace the United Kingdom with the jurisdiction in which such successor corporation is resident for tax purposes;
- (b) immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of the successor corporation, as a result of such transaction as having been incurred by the successor corporation at the time of such transaction, no event specified in Condition 9(1) or 9(3) or failure by the successor corporation to remedy a default within the time specified in Condition 9(2), and no event that, after notice or lapse of time, or both, would become such event or failure, shall have occurred and be continuing; and
- (c) the Issuer and the successor corporation have delivered to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating, and a written opinion of independent legal advisers of recognised standing confirming, that such consolidation, merger, conveyance, transfer or lease comply with this Condition 11.

Such certificate and opinion delivered to the Fiscal Agent pursuant to this Condition 11 shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

Upon any consolidation or amalgamation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety to any other corporation in accordance with this Condition 11, the successor corporation formed by such consolidation or amalgamation or into which the Issuer is merged or the successor corporation to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions of Bonds with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions of Bonds.

12. **Registration Book**

The registration book for the Bonds shall be prepared, administered and kept by the Fiscal Agent at its head office on behalf of the Issuer.

13. **Prescription**

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

14. **Public Notices**

All public notices relating to the Bonds shall be published once in the Japanese Official Gazette (if possible) and once in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs. Direct notification to individual Bondholders need not be made. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer. The Fiscal Agency Agreement provides that the Issuer shall request the Fiscal Agent in writing to give such public notices on behalf of the Issuer whenever necessary under these Conditions of Bonds.

15. **Currency Indemnity**

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered in Japanese yen and the Issuer undertakes to pay to such Bondholder the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which any amount expressed in Japanese yen is (or is to be treated as) converted into such currency other than Japanese yen for the purposes of any such judgment or order, and (ii) the date or dates of discharge of such judgment or order (or part thereof). To the extent permitted by any applicable law, the above undertaking shall constitute a separate and independent obligation of the Issuer from its other obligations, shall give rise to a separate and independent cause of action against the Issuer, shall apply irrespective of any indulgence granted by any Bondholder from time to time and shall continue in full force and effect notwithstanding any judgment or order.

16. **Agreement with Respect to the Exercise of the UK Bail-in Power**

(1) Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) acknowledges and accepts that the Amounts Due (as defined below) arising under any Bonds may be subject to the exercise of UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due into the Issuer's or another person's shares, other securities or other obligations (and the issue to, or conferral on, the Bondholder of such shares, other securities or other obligations), including by means of an amendment, modification or variation of these Conditions of Bonds; (iii) the cancellation of the Bonds; and/or (iv) the amendment or alteration of the date for redemption of the Bonds or amendment of the amount of interest payable on the Bonds, or the Interest Payment Dates, including by suspending payment for a temporary period; and
- (b) the variation of these Conditions of Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent

such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"Amounts Due" means the principal amount of, and any accrued but unpaid interest, including any Additional Amounts, on, the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

"Bail-In Legislation" means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act (as defined below).

"Banking Act" means the UK Banking Act 2009, as amended.

"Relevant UK Resolution Authority" means any authority with the ability to exercise a UK Bail-in Power.

"UK Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

- (2) Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Bond will constitute a default under the Bonds for any purpose.
- (3) Upon the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Bonds, the Issuer shall immediately notify the Fiscal Agent in writing of such exercise and give public notice of the same to the Bondholders through the Fiscal Agent. For avoidance of doubt, any delay or failure by the Issuer in delivering any notice or public notice referred to in this Condition 16(3) shall not affect the validity and enforceability of the UK Bail-in Power.
- (4) By its acquisition of the Bonds, to the fullest extent permitted by applicable law (including, without limitation, the Business Rules), each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) shall be deemed to have authorized, directed and requested the Book-Entry Transfer Institution and the Institution Participant or the Account Management Institution, as the case may be, to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Bonds as it may be imposed, without any further action or direction on the part of such Bondholder or beneficial owner, and the Fiscal Agent.
- (5) Any Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) that acquires the Bonds in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any Bondholder shall be deemed to acknowledge, agree to be bound by and consent to the same provisions in this Condition 16 to the same extent as the Bondholders that acquire the Bonds upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to these Conditions of Bonds related to the UK Bail-in Power.

17. **Governing Law and Jurisdiction**

Except as to the authorisation relating to the issue of the Bonds by the Issuer, the Bonds and all the rights and obligations of all the parties concerned, including the Bondholders, arising thereunder shall in all respects be governed by and construed in accordance with the laws of Japan.

Except as otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal or other court procedural action against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted, on a non-exclusive basis, in the Tokyo District Court, to the jurisdiction of which the Issuer hereby expressly, unconditionally and irrevocably agrees to submit.

The Issuer hereby appoints the Representative in Japan of The Hongkong and Shanghai Banking Corporation Limited as the authorised agent of the Issuer upon whom process or any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; the Issuer hereby designates the address from time to time of the Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited, currently at HSBC Building, 11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-0027, Japan, as the address to receive such process or any judicial or other court documents; and the Issuer hereby agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it hereby undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. In such case the Issuer shall promptly notify the Fiscal Agent in writing of the appointment of such successor agent and give public notice thereof.

Nothing in this Condition 17 shall affect the right of the Bondholders to institute legal or other court procedural action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process or any judicial or other court documents in any manner otherwise permitted by law.

18. **Modifications and Amendments**

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained herein, adding covenants for the benefit of the Bondholders, surrendering rights or powers conferred on the Issuer, or in any other manner which the Issuer may deem necessary and desirable and which will not adversely affect the interest of the Bondholders. The Issuer shall immediately notify the Fiscal Agent in writing of any such modification and amendment and give public notice of the same to the Bondholders as soon as practicable thereafter. All expenses necessary for the procedures under this Condition 18 shall be borne by the Issuer.

TERMS AND CONDITIONS OF THE BONDS (NINTH SERIES 2022)

Below is the English translation of the Terms and Conditions of the Bonds (Ninth Series 2022). In the event of any difference in meaning between the English translation and the original Japanese version, the Japanese version shall prevail.

These Conditions of Bonds shall apply to the issue of HSBC HOLDINGS PLC JAPANESE YEN CALLABLE BONDS – NINTH SERIES (2022) (the "**Bonds**") pursuant to lawful authorisation by HSBC Holdings plc (the "**Issuer**").

1. **Aggregate Principal Amount, Date of Issuance, Denomination and Form**

The aggregate principal amount of the Bonds is ¥13,900,000,000.

The date of issuance of the Bonds is September 15, 2022 (the "**Issue Date**").

The Bonds are issued in the denomination of ¥100,000,000 each.

The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") from time to time adopted by the Book-Entry Transfer Institution (as defined in Condition 4).

The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional events as provided under the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. If Bond Certificates are issued, such Bond Certificates shall be only in bearer form with unmatured interest coupons attached and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and then applicable Japanese laws and regulations and then prevailing market practice in Japan, such Japanese laws and regulations and market practice in Japan shall prevail.

All expenses incurred in connection with the issue of Bond Certificates shall be borne by the Issuer.

2. **Status of the Bonds**

The Bonds constitute direct and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future, other than any such obligations preferred by law.

Claims in respect of the Bonds may not be set off, or be the subject of a counterclaim, by the Bondholder against or in respect of any of its obligations to the Issuer, and every Bondholder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set off, or to raise by way of counterclaim any claim of it in respect of the Bonds, against or in respect of any of its obligations to the Issuer. If, notwithstanding the preceding sentence, any Bondholder receives or recovers any sum or the benefit of any sum in respect of the Bonds by virtue of any such set off or counterclaim, it shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding up of the Issuer, to the liquidator of the Issuer.

3. **Appointment of Fiscal Agent, Issuing Agent and Paying Agent and Non-appointment of Commissioned Company for Bondholders**

- (1) Sumitomo Mitsui Banking Corporation acts as fiscal agent, issuing agent and paying agent (the "**Fiscal Agent**", unless the context otherwise requires, the term "**Fiscal Agent**" means an agent acting in all these capacities) of the Issuer in respect of the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal and Reference Agency Agreement (the "**Fiscal Agency Agreement**") dated September 8, 2022 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement to which these Conditions of Bonds are attached shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned company for bondholders is appointed in respect of the Bonds.
- (3) The Issuer may from time to time vary the appointment of the Fiscal Agent, provided that the appointment of the Fiscal Agent shall continue until a replacement fiscal agent, issuing agent and paying agent shall be effectively appointed (provided that such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules). In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent, issuing agent and paying agent (provided that such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.
- (5) As at the effective date of the appointment, the replacement fiscal agent, issuing agent and paying agent shall succeed to and be substituted for the retiring Fiscal Agent, and shall perform its duties and functions provided for in these Conditions of Bonds, the Fiscal Agency Agreement and the Business Rules, with the same effect as if the replacement fiscal agent, issuing agent and paying agent had been named as the fiscal agent, issuing agent and paying agent therein and herein.

4. **Book-Entry Transfer Institution**

In relation to the Bonds, Japan Securities Depository Center, Incorporated (the "**Book-Entry Transfer Institution**") acts as book-entry transfer institution (*furikae kikan*) under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to the Book-Entry Transfer Institution shall be deemed to include any successor book-entry transfer institution as designated by the competent minister pursuant to the Book-Entry Transfer Law.

5. **Interest**

- (1) The Bonds shall bear interest from and including September 16, 2022, payable in Japanese yen semi-annually in arrear on March 15 and September 15 of each year, commencing on March 15, 2023 to and including the Maturity Date (as defined in Condition 6(1)) (each respectively, an "**Interest Payment Date**"), in respect of the 6-month period to and including each Interest Payment Date, unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5). Interest for any period of other than 6 months shall be payable for the actual number of days included in such period computed on the basis of a 365-day year.
- (2) From and including September 16, 2022 to and including the Call Date (as defined in Condition 6(3)) (subject to Condition 5(7)), the Bonds shall bear interest at the rate of 2.250% per annum on their principal amount.

- (3) (a) The rate of interest of the Bonds will be reset on the day immediately following the Call Date, unless the Bonds are fully redeemed or purchased and cancelled in full on or before the Call Date. From and including the day immediately following the Call Date to and including the Maturity Date (subject to Condition 5(7)) (the "**Reset Interest Period**"), the rate of interest of the Bonds (the "**Reset Interest Rate**") will be equal to the sum of the JPY 1-year TONA Tokyo Swap Rate-10:00 (as defined below), converted from an annual rate per annum to semi-annual rate per annum in accordance with the following formula and the resultant (expressed as a percentage per annum) being rounded up to the nearest third decimal place, on the Interest Rate Determination Date (as defined below) and 1.850% per annum; **provided that** such Reset Interest Rate shall not be less than 0%.

$$2 \times [\sqrt{1 + TONA\ TSR} - 1]$$

"**TONA TSR**" is the JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date.

"**JPY 1-year TONA Tokyo Swap Rate-10:00**" means the around 10:00 a.m., Tokyo time, mid-swap rate for JPY 1-year swap transactions where the floating leg references the Tokyo Overnight Average Rate ("**TONA**"), known as the "Tokyo Swap Rate (for swaps referencing TONA)" published on the Refinitiv screen page "JPTSRTOA=RFTB" (or a successor page) (the "**Refinitiv Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by Refinitiv Benchmark Services (UK) Limited as the administrator of the benchmark (or a successor administrator) ("**Refinitiv Benchmark Services**"); **provided that** if the JPY 1-year TONA Tokyo Swap Rate-10:00 is subsequently corrected and published within the longer of one hour of the time when such rate is first published and the republication cut-off time, if any, as specified by Refinitiv Benchmark Services in the relevant benchmark methodology, then that rate will be subject to those corrections.

"**Business Day**" means a day on which banks are open for business in Tokyo, Japan.

"**Interest Rate Determination Date**" means the day which is 2 Business Days prior to the Call Date.

- (b) If the JPY 1-year TONA Tokyo Swap Rate-10:00 is not published and otherwise unavailable, in either case, at or around 10:30 a.m., Tokyo time, on the Interest Rate Determination Date, then unless any of the Index Cessation Events (as defined below) has occurred in addition to the occurrence of the Index Cessation Effective Date (as defined below), the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page.

"**Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the Bank of Japan (or a successor administrator) announcing that it has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA; or
- (ii) a public statement or publication of information by the regulatory supervisor for the successor administrator of TONA, the Bank of Japan, an insolvency official with jurisdiction over the successor administrator of TONA, a resolution authority with jurisdiction over the successor administrator of TONA or a court or an entity with similar insolvency or resolution authority over the successor administrator of TONA, which states that the successor administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no further successor administrator that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00; or
- (iv) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the JPY 1-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 1-year TONA Tokyo Swap Rate-10:00.

"Index Cessation Effective Date" means, in respect of TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 and an Index Cessation Event, the first date on which TONA and/or the JPY 1-year TONA Tokyo Swap Rate-10:00 would ordinarily have been provided and is no longer provided.

- (c) If TONA is not provided in respect of a Business Day and any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, then, in respect of such Business Day and each Business Day thereafter (subject to Conditions 5(3)(d) and 5(3)(e)), the JPY 1-year TONA Tokyo Swap Rate-10:00 for the Interest Rate Determination Date occurring on or after the Index Cessation Effective Date will be the mid-swap rate (the **"Successor JPY 1-year Tokyo Swap Rate"**) provided by Refinitiv Benchmark Services for JPY 1-year swap transactions where the floating leg references the JPY Recommended Rate (as defined below), which is designated, nominated or recommended as a successor mid-swap rate for the JPY 1-year TONA Tokyo Swap Rate-10:00.

"JPY Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor.

- (d) If any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, and there is a Successor JPY 1-year Tokyo Swap Rate, but Refinitiv Benchmark Services does not publish the Successor JPY 1-year Tokyo Swap Rate (or the Successor JPY 1-year Tokyo Swap Rate is unavailable) at or around 10:30 a.m., Tokyo time on the Interest Rate Determination Date, then unless any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events (as defined below) has occurred, subject to Condition 5(3)(e), references to the Successor JPY 1-year Tokyo Swap Rate on the Interest Rate Determination Date will be deemed to be references to the last published Successor JPY 1-year Tokyo Swap Rate.

"Successor JPY 1-year Tokyo Swap Rate Index Cessation Event" means any of the following:

- (i) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate; or

- (ii) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the Successor JPY 1-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 1-year Tokyo Swap Rate.
- (e) (i) If, as of the Interest Rate Determination Date, any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, but there is:
- (x) no JPY Recommended Rate; or
 - (y) no previously published Successor JPY 1-year Tokyo Swap Rate; or
 - (z) a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event (as defined below) subsequently occurs;
- (ii) if any of the Index Cessation Events has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of the JPY 1-year TONA Tokyo Swap Rate-10:00; or
- (iii) if there is a Successor JPY 1-year Tokyo Swap Rate but any of the Successor JPY 1-year Tokyo Swap Rate Index Cessation Events subsequently occurs,

then the JPY 1-year TONA Tokyo Swap Rate-10:00 will be a mid-swap rate for JPY 1-year swap transactions where the floating leg references (x) if no Index Cessation Event in respect of TONA has occurred, TONA, (y) if an Index Cessation Event in respect of TONA has occurred and there is a JPY Recommended Rate and no JPY Recommended Rate Index Cessation Event has occurred, the JPY Recommended Rate or (z) in all other cases, an alternative Japanese yen risk free rate. Such mid-swap rate (the "**Alternative Mid-Swap Rate**") shall be determined by the Replacement Rate Agent (as defined below) acting in good faith, taking into account all available information including industry standard for international debt capital markets transactions and over-the-counter derivative transactions that the Replacement Rate Agent considers sufficient for that rate to be a representative alternative rate. If the Replacement Rate Agent determines that an Adjustment Spread (as defined below) should be applied to the Alternative Mid-Swap Rate, then such Adjustment Spread shall be applied to the Alternative Mid-Swap Rate. If the Replacement Rate Agent is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Alternative Mid-Swap Rate will be referenced without an Adjustment Spread. If the Replacement Rate Agent determines the Alternative Mid-Swap Rate and (if applicable) Adjustment Spread in accordance with the above provisions, the Replacement Rate Agent may also specify changes to these Conditions of Bonds, including (but not limited to) the method for determining the fallback rate in relation to the Bonds, in order to follow market practice in relation to the mid-swap rate for JPY 1-year swap transactions and/or the Adjustment Spread. To the fullest extent permitted by applicable law, neither consent of the Bondholders nor resolution passed at a Bondholders' meeting shall be required in connection with determining the Alternative Mid-Swap Rate and/or applying any Adjustment Spread and/or changing these Conditions of Bonds under this Condition 5(3)(e). In the case where this Condition 5(3)(e) applies, the Issuer shall use reasonable endeavours to appoint a "**Replacement Rate Agent**" on or prior to the Interest Rate Determination Date. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. Notwithstanding any other provision of this Condition 5(3)(e), no Alternative Mid-Swap Rate determined by the Replacement Rate Agent will be

adopted, nor will the applicable Adjustment Spread be applied, nor will any such amendments to these Conditions of Bonds be made, if in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Bonds as eligible liabilities or loss absorbing capacity instruments for the purposes of the Loss Absorption Regulations (as defined Condition 6(4)). If the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the Alternative Mid-Swap Rate on or prior to the Interest Rate Determination Date despite acting in good faith and using reasonable endeavours of the Issuer and the Replacement Rate Agent or if no Alternative Mid-Swap Rate is adopted pursuant to the previous sentence, the applicable JPY 1-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 1-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page. The Issuer will immediately notify the Fiscal Agent in writing of any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and Refinitiv Benchmark Services, the Adjustment Spread and the changes to these Conditions of Bonds and shall give public notice of the same to the Bondholders as soon as practicable thereafter.

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Alternative Mid-Swap Rate, and is the spread, formula or methodology which:

- (i) the Replacement Rate Agent (in consultation with the Issuer) determines is customarily applied to the relevant Alternative Mid-Swap Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate; or
- (ii) (if the Replacement Rate Agent determines that there is no customarily applied spread in relation to the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate as envisaged by limb (i) above), the Replacement Rate Agent (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the JPY 1-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 1-year Tokyo Swap Rate, where such rate has been replaced by the Alternative Mid-Swap Rate.

"**JPY Recommended Rate Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
 - (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate.
- (4) After the determination of the Reset Interest Rate in accordance with Condition 5(3), the Issuer shall notify the Fiscal Agent in writing of such Reset Interest Rate, whereupon, in no later than 5 Business Days following the commencement of the Reset Interest Period, the Fiscal Agent shall

make such matters available for perusal by the Bondholders at the head office of the Fiscal Agent during normal business hours. In such case, public notices need not be given.

- (5) The Reset Interest Rate determined in accordance with Condition 5(3) shall in the absence of manifest error be final and binding upon all parties, including the Bondholders.
- (6) Sumitomo Mitsui Banking Corporation acts as the Issuer's reference agent (the "**Reference Agent**") at its head office in Tokyo, Japan in respect of the Bonds. Pursuant to the Fiscal Agency Agreement, the Issuer shall entrust the Reference Agent with the performance of all of its obligations (other than those to give public notices) under Conditions 5(3)(a) to 5(3)(e) relating to the ascertainment, calculation and determination of any interest rate (including, but not limited to, the Reset Interest Rate). The Reference Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. Any notice required to be given by the Issuer to the Fiscal Agent under this Condition 5 need not be given if and so long as the Fiscal Agent and the Reference Agent are one and the same bank. The Issuer may from time to time vary the appointment of the Reference Agent, **provided that** the appointment of the Reference Agent shall continue until the replacement reference agent is effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (7) The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption; provided, however, that if the Issuer fails to redeem any of the Bonds when due in accordance with these Conditions of Bonds, then interest accrued on the principal amount of the Bonds then outstanding shall be paid in Japanese yen at the interest rate specified in Condition 5(2) up to and including the Call Date and the Reset Interest Rate thereafter for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bonds, computed on the basis of a 365-day year. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts with the Book-Entry Transfer Institution to make book-entry transfer of the Bonds (*kiko kanyusha*) (the "**Institution Participants**"); **provided that** if such overdue allocation is not possible under the Business Rules, such period shall not exceed 14 days after the date on which the last public notice is given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

6. **Redemption and Purchase**

- (1) Unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5), the Bonds shall be redeemed on September 15, 2032 (the "**Maturity Date**") at a price equal to 100% of the principal amount.
- (2) If, as a result of a change in or amendment to the laws of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax (the "**Taxing Jurisdiction**"), or any change in the official application or interpretation of such laws (including a decision of any court or tribunal), or any change in, or in the official application or interpretation of, or execution of, or amendment to, any treaty or treaties affecting taxation to which the United Kingdom is a party, which change, amendment or execution becomes effective on or after the Issue Date:
 - (a) on a subsequent Interest Payment Date the Issuer would be obliged to pay any Additional Amounts (as defined in Condition 8(1)) pursuant to Condition 8; or
 - (b) if the Issuer were to seek to redeem the Bonds (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem the Bonds), the Issuer would be obliged to pay any Additional Amounts pursuant to Condition 8,

then, subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption; **provided that** no such public notice of redemption as provided below shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts, were a payment in respect of the Bonds then due or the Bonds then redeemed.

In the event of redemption to be made under this Condition 6(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that the Issuer is or would be obliged to pay such Additional Amounts pursuant to Condition 8(1), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(2), (iii) the date for such redemption, (iv) either that such circumstances do exist or are reasonably expected to occur on or prior to the date on which the relevant payment of interest of the Bonds would otherwise be made (together with details of facts relating thereto) and (v) that it has obtained any Relevant Supervisory Consent (as defined in Condition 6(7)), and a written opinion of an independent legal adviser or accountant of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(2) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(2) shall be borne by the Issuer.

- (3) Subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, on September 15, 2031 (the "**Call Date**") at a price equal to 100% of the principal amount together with interest accrued to and including the Call Date.

In the event of redemption to be made under this Condition 6(3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that it elects to redeem the Bonds pursuant to this Condition 6(3) and (ii) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the Call Date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the Call Date. Such notice to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(3) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the Call Date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(3) shall be borne by the Issuer.

- (4) Following the occurrence of a Loss Absorption Disqualification Event (as defined below) and subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time within 90 days of the occurrence of the relevant Loss Absorption Disqualification Event at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption.

In the event of redemption to be made under this Condition 6(4), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Loss Absorption Disqualification Event has occurred and is continuing (together with details of facts relating thereto), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(4), (iii) the date for such redemption and (iv) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a

Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(4) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(4) shall be borne by the Issuer.

This Condition 6(4) will not apply if such application would cause a Loss Absorption Disqualification Event to occur.

"Group" means the Issuer and its consolidated subsidiaries.

"Loss Absorption Disqualification Event" shall be deemed to have occurred if the Bonds have become fully or partially ineligible to meet the Issuer's and/or the Group's minimum requirements for (A) eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as determined in accordance with and pursuant to the relevant Loss Absorption Regulations applicable to the Issuer and/or the Group, as a result of any:

- (a) Loss Absorption Regulations becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date,

provided, however, that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Bonds from the relevant minimum requirement(s) is due to the remaining maturity of the Bonds being less than any period prescribed by any applicable eligibility criteria for such minimum requirement(s) under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date.

"Loss Absorption Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company).

- (5) Subject to Condition 6(7), the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase the Bonds at any price in the open market or otherwise and may resell the same, except as otherwise provided for by applicable laws and in the Business Rules.
- (6) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem or repay the principal of the Bonds in whole or in part prior to the maturity thereof.
- (7) The Issuer may only exercise a right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), unless (x) the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's own funds and eligible liabilities or loss absorbing capacity instruments, as the case may be, (y) (if applicable) the Bonds are repurchased for market-making purposes in accordance with any permission given by the Relevant UK Resolution Authority (as defined in Condition 16(1)) pursuant to the Loss Absorption Regulations within the limits prescribed in such permission or (z) the Bonds are being redeemed or repurchased pursuant to any general prior permission granted by the Relevant UK Resolution Authority pursuant to Loss Absorption Regulations within the limits prescribed in such permission, if the Issuer has first obtained any Relevant Supervisory Consent. For these purposes, as between the Issuer and the Bondholders, the Issuer shall be deemed to have complied with above-mentioned conditions (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained any Relevant Supervisory

Consent delivered to the Fiscal Agent shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Bondholders.

"**Relevant Supervisory Consent**" means, in relation to any redemption or purchase of any Bonds, any required permission of the Relevant UK Resolution Authority for such redemption or purchase under the prevailing Loss Absorption Regulations.

7. **Payment**

- (1) Payment of principal and interest in respect of the Bonds shall be made by the Paying Agent to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other cases through the relevant account management institutions (*kouza kanri kikan*) (the "**Account Management Institutions**") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Rules.
- (2) If any due date for the payment of principal of or interest on the Bonds falls on a day which is not a Business Day, the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, nor shall they be entitled to the payment of any further or additional interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Issuer shall, or shall cause the Fiscal Agent to, give public notice to the Bondholders to that effect and of the method of payment and the date of such payment as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt either the method or the date of such payment (or both) is not determinable, the Issuer or the Fiscal Agent shall give public notice to the Bondholders of such receipt and of the method and/or the date of such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date of such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

8. **Taxation**

- (1) All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") in respect of payments of interest only (and not principal) as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required, except that no such Additional Amounts shall be payable in respect of any Bond (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the Taxing Jurisdiction other than the mere holding of such Bond or (ii) (only in the event that the Bond Certificates are issued) more than 30 days after the Relevant Date (as defined below) except to the extent the Bondholder would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

"**Relevant Date**" means whichever is the later of (i) the date on which the relevant payment of interest first becomes due and (ii) if the full amount payable on such due date has not been duly received by the Paying Agent on or prior to such due date, the date on which, such full amount having been so received by the Paying Agent, the last public notice to that effect has been duly given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

- (2) Any reference in these Conditions of Bonds to interest shall be deemed also to refer to any Additional Amounts which may be payable in respect of interest under this Condition 8. All expenses necessary for the procedures under this Condition 8 shall be borne by the Issuer.
- (3) Notwithstanding any other provision in these Conditions of Bonds, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-

governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify a Bondholder for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

9. **Enforcement**

- (1) If default is made for a period of 14 days or more in the payment of any principal or interest due on the Bonds, any Bondholder may, in order to enforce payment, at its discretion and without further notice, institute proceedings for the winding up of the Issuer in England; **provided that** it shall not be such a default to withhold or refuse any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers of recognised standing as to such validity or applicability.
- (2) Any Bondholder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding up of the Issuer in England and/or prove in any winding up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Bonds (other than any obligation for the payment of any principal, interest or expenses in respect of such Bonds or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Bonds or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Bondholders may only institute proceedings for the winding up of the Issuer to enforce the obligations above referred to in this Condition 9(2) and/or prove in any winding up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied within 60 days (or such longer period as approved by an Extraordinary Resolution (as defined in Condition 10(3))) after notice of such default has been given to the Issuer by any Bondholder at the head office of the Fiscal Agent requiring such default to be remedied (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the certificate (the "**Certificate**") certifying the holding of the relevant Bond and issued by the Book-Entry Transfer Institution or the relevant Account Management Institution).
- (3) If an order is made or an effective resolution is passed for the winding up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved by an Extraordinary Resolution), any Bondholder may, at its option, by giving written notice by or on behalf of such Bondholder to the Issuer at the head office of the Fiscal Agent (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the Certificate), declare that any Bond(s) held by such Bondholder shall be forthwith due and payable, whereupon the same shall become immediately due and payable at a price equal to 100% of the principal amount together with interest accrued to and including such date.
- (4) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 9 shall be available to the Bondholders whether for the recovery of amounts owing in respect of the Bonds or in respect of any breach by the Issuer of any obligation, condition or provision under the Bonds or otherwise.
- (5) All expenses necessary for the procedures under this Condition 9 shall be borne by the Issuer.

10. **Bondholders' Meetings**

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of the Bondholders in the event that: (a) Bondholders holding one-tenth (1/10) or more of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent on behalf of the Issuer at the head office of the Fiscal

Agent, **provided that** such Bondholders shall have presented to the Fiscal Agent the Certificates; or (b) the Issuer should deem it necessary to hold a Bondholders' meeting, in each case, by giving written notice at least 35 days prior to the proposed date of the meeting to the Fiscal Agent.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice to the Bondholders of the Bondholders' meeting at least 21 days prior to the date of such meeting and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds (for the time being outstanding) held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless the Bondholder returns the relevant Certificate to the Book-Entry Transfer Institution or the relevant Account Management Institution of such Bondholder. The Issuer may have its representative attend such meeting and express its opinion thereat.
- (3) Resolutions at such Bondholders' meeting shall be passed by more than one-half (1/2) of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution is required with respect to the following items:
 - (a) giving a grace of payment, an exemption from obligations or liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters referred to in (b) below);
 - (b) any acts of litigation to be made with respect to all the Bonds, or all acts pertaining to the bankruptcy, corporate reorganisation or similar proceedings of the Issuer;
 - (c) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them; and
 - (d) any other matters where the Extraordinary Resolution is required under the provisions of these Conditions of Bonds.

"Extraordinary Resolution" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the aggregate amount of the voting rights held by the Voting Rights Holders representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

Notwithstanding the foregoing, in the case where the Issuer or the Bondholders make a proposal with respect to any matter that is the subject of a Bondholders' meeting, if all the Bondholders express their consent to such proposal in writing or (in the event the Issuer permits the expression of their consent by electronic method) by an electronic method, it shall be deemed that a resolution

to approve such proposal has been passed at a Bondholders' meeting. If it is deemed that a resolution has been passed at a Bondholders' meeting pursuant to this paragraph, the Issuer shall immediately notify the Fiscal Agent to that effect and of the contents of such resolution.

- (4) The resolution passed or deemed to be passed pursuant to this Condition 10 shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 10, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.
- (7) All expenses necessary for the procedures under this Condition 10 shall be borne by the Issuer.

11. **Merger, Consolidation, Etc.**

The Issuer may, without the consent of the Bondholders, consolidate or amalgamate with or merge into any other corporation or convey or sell or transfer or lease its properties and assets substantially as an entirety to any other corporation, **provided that:**

- (a) the corporation formed by such consolidation or amalgamation or into which the Issuer is merged or to which conveyance, transfer or lease of the properties and assets of the Issuer, substantially as an entirety, is made (i) shall expressly assume, by a supplemental agreement executed by such successor corporation and/or the Issuer with the Fiscal Agent, the due and punctual payment of any principal or interest in respect of all the Bonds and the performance of every obligation and covenant under these Conditions of Bonds on the part of the Issuer to be performed or observed and (ii) the definition of "**Taxing Jurisdiction**" shall be amended, if applicable, to replace the United Kingdom with the jurisdiction in which such successor corporation is resident for tax purposes;
- (b) immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of the successor corporation, as a result of such transaction as having been incurred by the successor corporation at the time of such transaction, no event specified in Condition 9(1) or 9(3) or failure by the successor corporation to remedy a default within the time specified in Condition 9(2), and no event that, after notice or lapse of time, or both, would become such event or failure, shall have occurred and be continuing; and
- (c) the Issuer and the successor corporation have delivered to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating, and a written opinion of independent legal advisers of recognised standing confirming, that such consolidation, merger, conveyance, transfer or lease comply with this Condition 11.

Such certificate and opinion delivered to the Fiscal Agent pursuant to this Condition 11 shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

Upon any consolidation or amalgamation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety to any other corporation in accordance with this Condition 11, the successor corporation formed by such consolidation or amalgamation or into which the Issuer is merged or the successor corporation to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions of Bonds with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions of Bonds.

12. **Registration Book**

The registration book for the Bonds shall be prepared, administered and kept by the Fiscal Agent at its head office on behalf of the Issuer.

13. **Prescription**

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

14. **Public Notices**

All public notices relating to the Bonds shall be published once in the Japanese Official Gazette (if possible) and once in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs. Direct notification to individual Bondholders need not be made. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer. The Fiscal Agency Agreement provides that the Issuer shall request the Fiscal Agent in writing to give such public notices on behalf of the Issuer whenever necessary under these Conditions of Bonds.

15. **Currency Indemnity**

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered in Japanese yen and the Issuer undertakes to pay to such Bondholder the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which any amount expressed in Japanese yen is (or is to be treated as) converted into such currency other than Japanese yen for the purposes of any such judgment or order, and (ii) the date or dates of discharge of such judgment or order (or part thereof). To the extent permitted by any applicable law, the above undertaking shall constitute a separate and independent obligation of the Issuer from its other obligations, shall give rise to a separate and independent cause of action against the Issuer, shall apply irrespective of any indulgence granted by any Bondholder from time to time and shall continue in full force and effect notwithstanding any judgment or order.

16. **Agreement with Respect to the Exercise of the UK Bail-in Power**

(1) Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) acknowledges and accepts that the Amounts Due (as defined below) arising under any Bonds may be subject to the exercise of UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (a) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due into the Issuer's or another person's shares, other securities or other obligations (and the issue to, or conferral on, the Bondholder of such shares, other securities or other obligations), including by means of an amendment, modification or variation of these Conditions of Bonds; (iii) the cancellation of the Bonds; and/or (iv) the amendment or alteration of the date for redemption of the Bonds or amendment of the amount of interest payable on the Bonds, or the Interest Payment Dates, including by suspending payment for a temporary period; and
- (b) the variation of these Conditions of Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent

such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"Amounts Due" means the principal amount of, and any accrued but unpaid interest, including any Additional Amounts, on, the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

"Bail-In Legislation" means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act (as defined below).

"Banking Act" means the UK Banking Act 2009, as amended.

"Relevant UK Resolution Authority" means any authority with the ability to exercise a UK Bail-in Power.

"UK Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

- (2) Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Bond will constitute a default under the Bonds for any purpose.
- (3) Upon the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Bonds, the Issuer shall immediately notify the Fiscal Agent in writing of such exercise and give public notice of the same to the Bondholders through the Fiscal Agent. For avoidance of doubt, any delay or failure by the Issuer in delivering any notice or public notice referred to in this Condition 16(3) shall not affect the validity and enforceability of the UK Bail-in Power.
- (4) By its acquisition of the Bonds, to the fullest extent permitted by applicable law (including, without limitation, the Business Rules), each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) shall be deemed to have authorized, directed and requested the Book-Entry Transfer Institution and the Institution Participant or the Account Management Institution, as the case may be, to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Bonds as it may be imposed, without any further action or direction on the part of such Bondholder or beneficial owner, and the Fiscal Agent.
- (5) Any Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) that acquires the Bonds in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any Bondholder shall be deemed to acknowledge, agree to be bound by and consent to the same provisions in this Condition 16 to the same extent as the Bondholders that acquire the Bonds upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to these Conditions of Bonds related to the UK Bail-in Power.

17. **Governing Law and Jurisdiction**

Except as to the authorisation relating to the issue of the Bonds by the Issuer, the Bonds and all the rights and obligations of all the parties concerned, including the Bondholders, arising thereunder shall in all respects be governed by and construed in accordance with the laws of Japan.

Except as otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal or other court procedural action against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted, on a non-exclusive basis, in the Tokyo District Court, to the jurisdiction of which the Issuer hereby expressly, unconditionally and irrevocably agrees to submit.

The Issuer hereby appoints the Representative in Japan of The Hongkong and Shanghai Banking Corporation Limited as the authorised agent of the Issuer upon whom process or any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; the Issuer hereby designates the address from time to time of the Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited, currently at HSBC Building, 11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo 103-0027, Japan, as the address to receive such process or any judicial or other court documents; and the Issuer hereby agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it hereby undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. In such case the Issuer shall promptly notify the Fiscal Agent in writing of the appointment of such successor agent and give public notice thereof.

Nothing in this Condition 17 shall affect the right of the Bondholders to institute legal or other court procedural action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process or any judicial or other court documents in any manner otherwise permitted by law.

18. **Modifications and Amendments**

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained herein, adding covenants for the benefit of the Bondholders, surrendering rights or powers conferred on the Issuer, or in any other manner which the Issuer may deem necessary and desirable and which will not adversely affect the interest of the Bondholders. The Issuer shall immediately notify the Fiscal Agent in writing of any such modification and amendment and give public notice of the same to the Bondholders as soon as practicable thereafter. All expenses necessary for the procedures under this Condition 18 shall be borne by the Issuer.

TERMS AND CONDITIONS OF THE BONDS (FIRST SERIES 2022)

Below is the English translation of the Terms and Conditions of the Bonds (First Series 2022). In the event of any difference in meaning between the English translation and the original Japanese version, the Japanese version shall prevail.

These Conditions of Bonds shall apply to the issue of HSBC HOLDINGS PLC JAPANESE YEN CALLABLE SUBORDINATED BONDS – FIRST SERIES (2022) (the "**Bonds**") pursuant to lawful authorisation by HSBC Holdings plc (the "**Issuer**").

1. **Aggregate Principal Amount, Date of Issuance, Denomination and Form**

The aggregate principal amount of the Bonds is ¥11,900,000,000.

The date of issuance of the Bonds is September 15, 2022 (the "**Issue Date**").

The Bonds are issued in the denomination of ¥100,000,000 each.

The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") from time to time adopted by the Book-Entry Transfer Institution (as defined in Condition 4).

The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional events as provided under the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. If Bond Certificates are issued, such Bond Certificates shall be only in bearer form with unmatured interest coupons attached and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations and the then prevailing market practice in Japan. In the event of any inconsistency between the provisions of these Conditions of Bonds and then applicable Japanese laws and regulations and then prevailing market practice in Japan, such Japanese laws and regulations and market practice in Japan shall prevail.

All expenses incurred in connection with the issue of Bond Certificates shall be borne by the Issuer.

2. **Status of the Bonds and Subordination**

The Bonds constitute direct and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves. The rights of the Bondholders will, in the event of the winding up of the Issuer in England, (i) be subordinated in right of payment to the claims of Senior Creditors (as defined below) and (ii) rank senior to the Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Bonds.

"**Senior Creditors**" means creditors of the Issuer except creditors in respect of Subordinated Indebtedness (as defined below).

"**Subordinated Indebtedness**" means any liability of the Issuer howsoever arising for the payment of money (including, without limitation, the principal and interest payable in respect of the Bonds) the right to payment of which by the Issuer by the terms whereof is, or is expressed to be, subordinated in the event of a winding up of the Issuer to the claims of all or any of the creditors of the Issuer.

Claims in respect of the Bonds may not be set off, or be the subject of a counterclaim, by the Bondholder against or in respect of any of its obligations to the Issuer, and every Bondholder

waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set off, or to raise by way of counterclaim any claim of it in respect of the Bonds, against or in respect of any of its obligations to the Issuer. If, notwithstanding the preceding sentence, any Bondholder receives or recovers any sum or the benefit of any sum in respect of the Bonds by virtue of any such set off or counterclaim, it shall hold the same on trust for the Issuer and shall pay the amount thereof to the Issuer or, in the event of the winding up of the Issuer, to the liquidator of the Issuer.

3. **Appointment of Fiscal Agent, Issuing Agent and Paying Agent and Non-appointment of Commissioned Company for Bondholders**

- (1) Sumitomo Mitsui Banking Corporation acts as fiscal agent, issuing agent and paying agent (the "**Fiscal Agent**", unless the context otherwise requires, the term "**Fiscal Agent**" means an agent acting in all these capacities) of the Issuer in respect of the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal and Reference Agency Agreement (the "**Fiscal Agency Agreement**") dated September 8, 2022 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement to which these Conditions of Bonds are attached shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned company for bondholders is appointed in respect of the Bonds.
- (3) The Issuer may from time to time vary the appointment of the Fiscal Agent, **provided that** the appointment of the Fiscal Agent shall continue until a replacement fiscal agent, issuing agent and paying agent shall be effectively appointed (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules). In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement fiscal agent, issuing agent and paying agent (**provided that** such replacement fiscal agent, issuing agent and paying agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.
- (5) As at the effective date of the appointment, the replacement fiscal agent, issuing agent and paying agent shall succeed to and be substituted for the retiring Fiscal Agent, and shall perform its duties and functions provided for in these Conditions of Bonds, the Fiscal Agency Agreement and the Business Rules, with the same effect as if the replacement fiscal agent, issuing agent and paying agent had been named as the fiscal agent, issuing agent and paying agent therein and herein.

4. **Book-Entry Transfer Institution**

In relation to the Bonds, Japan Securities Depository Center, Incorporated (the "**Book-Entry Transfer Institution**") acts as book-entry transfer institution (*furikae kikan*) under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to the Book-Entry Transfer Institution shall be deemed to include any successor book-entry transfer institution as designated by the competent minister pursuant to the Book-Entry Transfer Law.

5. **Interest**

- (1) The Bonds shall bear interest from and including September 16, 2022, payable in Japanese yen semi-annually in arrear on March 15 and September 15 of each year, commencing on March 15, 2023 to and including the Maturity Date (as defined in Condition 6(1)) (each respectively, an "**Interest Payment Date**"), in respect of the 6-month period to and including each Interest Payment Date, unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3),

(4) or (5). Interest for any period of other than 6 months shall be payable for the actual number of days included in such period computed on the basis of a 365-day year.

(2) From and including September 16, 2022 to and including the Call Date (as defined in Condition 6(3)) (subject to Condition 5(7)), the Bonds shall bear interest at the rate of 2.500% per annum on their principal amount.

(3) (a) The rate of interest of the Bonds will be reset on the day immediately following the Call Date, unless the Bonds are fully redeemed or purchased and cancelled in full on or before the Call Date. From and including the day immediately following the Call Date to and including the Maturity Date (subject to Condition 5(7)) (the "**Reset Interest Period**"), the rate of interest of the Bonds (the "**Reset Interest Rate**") will be equal to the sum of the JPY 5-year TONA Tokyo Swap Rate-10:00 (as defined below), converted from an annual rate per annum to semi-annual rate per annum in accordance with the following formula and the resultant (expressed as a percentage per annum) being rounded up to the nearest third decimal place, on the Interest Rate Determination Date (as defined below) and 2.292% per annum; **provided that** such Reset Interest Rate shall not be less than 0%.

$$2 \times [\sqrt{1 + TONA\ TSR} - 1]$$

"**TONA TSR**" is the JPY 5-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date.

"**JPY 5-year TONA Tokyo Swap Rate-10:00**" means the around 10:00 a.m., Tokyo time, mid-swap rate for JPY 5-year swap transactions where the floating leg references the Tokyo Overnight Average Rate ("**TONA**"), known as the "Tokyo Swap Rate (for swaps referencing TONA)" published on the Refinitiv screen page "JPTSRTOA=RFTB" (or a successor page) (the "**Refinitiv Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by Refinitiv Benchmark Services (UK) Limited as the administrator of the benchmark (or a successor administrator) ("**Refinitiv Benchmark Services**"); **provided that** if the JPY 5-year TONA Tokyo Swap Rate-10:00 is subsequently corrected and published within the longer of one hour of the time when such rate is first published and the republication cut-off time, if any, as specified by Refinitiv Benchmark Services in the relevant benchmark methodology, then that rate will be subject to those corrections.

"**Business Day**" means a day on which banks are open for business in Tokyo, Japan.

"**Interest Rate Determination Date**" means the day which is 2 Business Days prior to the Call Date.

(b) If the JPY 5-year TONA Tokyo Swap Rate-10:00 is not published and otherwise unavailable, in either case, at or around 10:30 a.m., Tokyo time, on the Interest Rate Determination Date, then unless any of the Index Cessation Events (as defined below) has occurred in addition to the occurrence of the Index Cessation Effective Date (as defined below), the applicable JPY 5-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 5-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page.

"**Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the Bank of Japan (or a successor administrator) announcing that it has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA; or
- (ii) a public statement or publication of information by the regulatory supervisor for the successor administrator of TONA, the Bank of Japan, an insolvency official with jurisdiction over the successor administrator of TONA, a resolution authority with jurisdiction over the successor administrator of TONA or a court or an entity

with similar insolvency or resolution authority over the successor administrator of TONA, which states that the successor administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no further successor administrator that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the JPY 5-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 5-year TONA Tokyo Swap Rate-10:00; or
- (iv) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the JPY 5-year TONA Tokyo Swap Rate-10:00 permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY 5-year TONA Tokyo Swap Rate-10:00.

"Index Cessation Effective Date" means, in respect of TONA and/or the JPY 5-year TONA Tokyo Swap Rate-10:00 and an Index Cessation Event, the first date on which TONA and/or the JPY 5-year TONA Tokyo Swap Rate-10:00 would ordinarily have been provided and is no longer provided.

- (c) If TONA is not provided in respect of a Business Day and any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, then, in respect of such Business Day and each Business Day thereafter (subject to Conditions 5(3)(d) and 5(3)(e)), the JPY 5-year TONA Tokyo Swap Rate-10:00 for the Interest Rate Determination Date occurring on or after the Index Cessation Effective Date will be the mid-swap rate (the **"Successor JPY 5-year Tokyo Swap Rate"**) provided by Refinitiv Benchmark Services for JPY 5-year swap transactions where the floating leg references the JPY Recommended Rate (as defined below), which is designated, nominated or recommended as a successor mid-swap rate for the JPY 5-year TONA Tokyo Swap Rate-10:00.

"JPY Recommended Rate" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor.

- (d) If any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, and there is a Successor JPY 5-year Tokyo Swap Rate, but Refinitiv Benchmark Services does not publish the Successor JPY 5-year Tokyo Swap Rate (or the Successor JPY 5-year Tokyo Swap Rate is unavailable) at or around 10:30 a.m., Tokyo time on the Interest Rate Determination Date, then unless any of the Successor JPY 5-year Tokyo Swap Rate Index Cessation Events (as defined below) has occurred, subject to Condition 5(3)(e), references to the Successor JPY 5-year Tokyo Swap Rate on the Interest Rate Determination Date will be deemed to be references to the last published Successor JPY 5-year Tokyo Swap Rate.

"Successor JPY 5-year Tokyo Swap Rate Index Cessation Event" means any of the following:

- (i) a public statement or publication of information by or on behalf of Refinitiv Benchmark Services announcing that it has ceased or will cease to provide the Successor JPY 5-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 5-year Tokyo Swap Rate; or
 - (ii) a public statement or publication of information by the regulatory supervisor for Refinitiv Benchmark Services, the Bank of Japan, an insolvency official with jurisdiction over Refinitiv Benchmark Services, a resolution authority with jurisdiction over Refinitiv Benchmark Services or a court or an entity with similar insolvency or resolution authority over Refinitiv Benchmark Services, which states that Refinitiv Benchmark Services has ceased or will cease to provide the Successor JPY 5-year Tokyo Swap Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the Successor JPY 5-year Tokyo Swap Rate.
- (e) (i) If, as of the Interest Rate Determination Date, any of the Index Cessation Events listed in limbs (i) and/or (ii) thereof has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of TONA, but there is:
- (x) no JPY Recommended Rate; or
 - (y) no previously published Successor JPY 5-year Tokyo Swap Rate; or
 - (z) a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event (as defined below) subsequently occurs;
- (ii) if any of the Index Cessation Events has occurred in addition to the occurrence of the Index Cessation Effective Date in respect of the JPY 5-year TONA Tokyo Swap Rate-10:00; or
- (iii) if there is a Successor JPY 5-year Tokyo Swap Rate but any of the Successor JPY 5-year Tokyo Swap Rate Index Cessation Events subsequently occurs,

then the JPY 5-year TONA Tokyo Swap Rate-10:00 will be a mid-swap rate for JPY 5-year swap transactions where the floating leg references (x) if no Index Cessation Event in respect of TONA has occurred, TONA, (y) if an Index Cessation Event in respect of TONA has occurred and there is a JPY Recommended Rate and no JPY Recommended Rate Index Cessation Event has occurred, the JPY Recommended Rate or (z) in all other cases, an alternative Japanese yen risk free rate. Such mid-swap rate (the "**Alternative Mid-Swap Rate**") shall be determined by the Replacement Rate Agent (as defined below) acting in good faith, taking into account all available information including industry standard for international debt capital markets transactions and over-the-counter derivative transactions that the Replacement Rate Agent considers sufficient for that rate to be a representative alternative rate. If the Replacement Rate Agent determines that an Adjustment Spread (as defined below) should be applied to the Alternative Mid-Swap Rate, then such Adjustment Spread shall be applied to the Alternative Mid-Swap Rate. If the Replacement Rate Agent is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Alternative Mid-Swap Rate will be referenced without an Adjustment Spread. If the Replacement Rate Agent determines the Alternative Mid-Swap Rate and (if applicable) Adjustment Spread in accordance with the above provisions, the Replacement Rate Agent may also specify changes to these Conditions of Bonds, including (but not limited to) the method for determining the fallback rate in relation to the Bonds, in order to follow market practice in relation to the mid-swap rate for JPY 5-year swap transactions and/or the Adjustment Spread. To the fullest extent permitted by applicable law, neither consent of the Bondholders nor resolution passed at a Bondholders' meeting shall be required in connection with determining the Alternative Mid-Swap Rate and/or applying any Adjustment Spread and/or changing these Conditions of Bonds under this Condition

5(3)(e). In the case where this Condition 5(3)(e) applies, the Issuer shall use reasonable endeavours to appoint a "**Replacement Rate Agent**" on or prior to the Interest Rate Determination Date. The Issuer may appoint an affiliate of the Issuer or any other person as Replacement Rate Agent, so long as such affiliate or other person is a leading financial institution that is experienced in the calculations or determinations to be made by the Replacement Rate Agent. Notwithstanding any other provision of this Condition 5(3)(e), no Alternative Mid-Swap Rate determined by the Replacement Rate Agent will be adopted, nor will the applicable Adjustment Spread be applied, nor will any such amendments to these Conditions of Bonds be made, if in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Bonds as own funds instruments for the purposes of the Applicable Rules (as defined Condition 6(7)). If the Issuer is unable to appoint a Replacement Rate Agent or the Replacement Rate Agent is unable to determine the Alternative Mid-Swap Rate on or prior to the Interest Rate Determination Date despite acting in good faith and using reasonable endeavours of the Issuer and the Replacement Rate Agent or if no Alternative Mid-Swap Rate is adopted pursuant to the previous sentence, the applicable JPY 5-year TONA Tokyo Swap Rate-10:00 on the Interest Rate Determination Date shall be such rate published at or around 10:30 a.m., Tokyo time, on the immediately preceding Business Day on which the JPY 5-year TONA Tokyo Swap Rate-10:00 was published on the Refinitiv Screen Page. The Issuer will immediately notify the Fiscal Agent in writing of any such appointment, the alternative for the JPY 5-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and Refinitiv Benchmark Services, the Adjustment Spread and the changes to these Conditions of Bonds and shall give public notice of the same to the Bondholders as soon as practicable thereafter.

"**Adjustment Spread**" means a spread (which may be positive or negative or zero) or formula or methodology for calculating a spread, in each case to be applied to the Alternative Mid-Swap Rate, and is the spread, formula or methodology which:

- (i) the Replacement Rate Agent (in consultation with the Issuer) determines is customarily applied to the relevant Alternative Mid-Swap Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the JPY 5-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 5-year Tokyo Swap Rate; or
- (ii) (if the Replacement Rate Agent determines that there is no customarily applied spread in relation to the JPY 5-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 5-year Tokyo Swap Rate as envisaged by limb (i) above), the Replacement Rate Agent (in consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the JPY 5-year TONA Tokyo Swap Rate-10:00 or the Successor JPY 5-year Tokyo Swap Rate, where such rate has been replaced by the Alternative Mid-Swap Rate.

"**JPY Recommended Rate Index Cessation Event**" means any of the following:

- (i) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the Bank of Japan, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, **provided that**, at the time of the statement or

publication, there is no successor administrator that will continue to provide the JPY Recommended Rate.

- (4) After the determination of the Reset Interest Rate in accordance with Condition 5(3), the Issuer shall notify the Fiscal Agent in writing of such Reset Interest Rate, whereupon, in no later than 5 Business Days following the commencement of the Reset Interest Period, the Fiscal Agent shall make such matters available for perusal by the Bondholders at the head office of the Fiscal Agent during normal business hours. In such case, public notices need not be given.
- (5) The Reset Interest Rate determined in accordance with Condition 5(3) shall in the absence of manifest error be final and binding upon all parties, including the Bondholders.
- (6) Sumitomo Mitsui Banking Corporation acts as the Issuer's reference agent (the "**Reference Agent**") at its head office in Tokyo, Japan in respect of the Bonds. Pursuant to the Fiscal Agency Agreement, the Issuer shall entrust the Reference Agent with the performance of all of its obligations (other than those to give public notices) under Conditions 5(3)(a) to 5(3)(e) relating to the ascertainment, calculation and determination of any interest rate (including, but not limited to, the Reset Interest Rate). The Reference Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. Any notice required to be given by the Issuer to the Fiscal Agent under this Condition 5 need not be given if and so long as the Fiscal Agent and the Reference Agent are one and the same bank. The Issuer may from time to time vary the appointment of the Reference Agent, **provided that** the appointment of the Reference Agent shall continue until the replacement reference agent is effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (7) The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption; provided, however, that if the Issuer fails to redeem any of the Bonds when due in accordance with these Conditions of Bonds, then interest accrued on the principal amount of the Bonds then outstanding shall be paid in Japanese yen at the interest rate specified in Condition 5(2) up to and including the Call Date and the Reset Interest Rate thereafter for the actual number of days in the period from, but excluding, the due date to, and including, the date of the actual redemption of such Bonds, computed on the basis of a 365-day year. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules, hereinafter the "**Paying Agent**") allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts with the Book-Entry Transfer Institution to make book-entry transfer of the Bonds (*kiko kanyusha*) (the "**Institution Participants**"); **provided that** if such overdue allocation is not possible under the Business Rules, such period shall not exceed 14 days after the date on which the last public notice is given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

6. **Redemption and Purchase**

- (1) Unless previously redeemed or purchased and cancelled as provided in Condition 6(2), (3), (4) or (5), the Bonds shall be redeemed on September 15, 2032 (the "**Maturity Date**") at a price equal to 100% of the principal amount.
- (2) If, as a result of a change in or amendment to the laws of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax (the "**Taxing Jurisdiction**"), or any change in the official application or interpretation of such laws (including a decision of any court or tribunal), or any change in, or in the official application or interpretation of, or execution of, or amendment to, any treaty or treaties affecting taxation to which the United Kingdom is a party, which change, amendment or execution becomes effective on or after the Issue Date:
 - (a) on a subsequent Interest Payment Date the Issuer would be obliged to pay any Additional Amounts (as defined in Condition 8(1)) pursuant to Condition 8; or
 - (b) if the Issuer were to seek to redeem the Bonds (for which purpose no regard shall be had as to whether or not the Issuer would otherwise be entitled to redeem the Bonds), the Issuer would be obliged to pay any Additional Amounts pursuant to Condition 8; or

- (c) on a subsequent Interest Payment Date, interest payments (or funding costs of the Issuer as recognised in its accounts) under or with respect to the Bonds would no longer be fully deductible for United Kingdom corporation tax purposes,

then, subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption; **provided that** no such public notice of redemption as provided below shall be given earlier than 90 days prior to the earliest date on which, in the case of (a) or (b) above, the Issuer would be obliged to pay such Additional Amounts or, in the case of (c) above, such interest payments (or funding costs) would no longer be fully deductible for United Kingdom corporation tax purposes, were a payment in respect of the Bonds then due or the Bonds then redeemed.

In the event of redemption to be made under this Condition 6(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i), in the case of (a) or (b) above, that the Issuer is or would be obliged to pay such Additional Amounts pursuant to Condition 8(1) or, in the case of (c) above, that such interest payments (or funding costs) are no longer or would no longer be fully deductible for United Kingdom corporation tax purposes, (ii) that it elects to redeem the Bonds pursuant to this Condition 6(2), (iii) the date for such redemption, (iv) either that such circumstances do exist or are reasonably expected to occur on or prior to the date on which the relevant payment of interest of the Bonds would otherwise be made (together with details of facts relating thereto) and (v) that it has obtained any Relevant Supervisory Consent (as defined in Condition 6(7)), and a written opinion of an independent legal adviser or accountant of recognised standing confirming the matters set forth in items (i) and (iv) above.

Such certificate and opinion shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such matters at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate and opinion delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(2) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(2) shall be borne by the Issuer.

- (3) Subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, on September 15, 2027 (the "**Call Date**") at a price equal to 100% of the principal amount together with interest accrued to and including the Call Date.

In the event of redemption to be made under this Condition 6(3), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that it elects to redeem the Bonds pursuant to this Condition 6(3) and (ii) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the Call Date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the Call Date. Such notice to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(3) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the Call Date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(3) shall be borne by the Issuer.

- (4) Following the occurrence of a Capital Disqualification Event (as defined below) and subject to Condition 6(7), the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time within 90 days of the occurrence of the relevant Capital Disqualification Event at a price equal to 100% of the principal amount together with interest accrued to and including the date fixed for redemption.

In the event of redemption to be made under this Condition 6(4), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating (i) that a Capital Disqualification Event has occurred and is continuing (together with details of facts relating thereto), (ii) that it elects to redeem the Bonds pursuant to this Condition 6(4), (iii) the date for such redemption and (iv) that it has obtained any Relevant Supervisory Consent.

Such certificate shall be delivered to the Fiscal Agent at least 30 days prior to the proposed redemption date, and the Issuer shall give public notice to the Bondholders of such redemption at least 14 days prior to the proposed redemption date. Such proposed redemption date shall be a Business Day, and such delivery to the Fiscal Agent and public notice to the Bondholders shall be irrevocable.

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 6(4) shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6(4) shall be borne by the Issuer.

"Capital Disqualification Event" means an event that shall be deemed to have occurred if the Issuer determines at any time after the Issue Date, that there is a change in the regulatory classification of the Bonds that results in or will result in:

- (a) their exclusion in whole or in part from the regulatory capital of the Group (as defined below); or
- (b) their reclassification in whole or in part as a form of regulatory capital of the Group that is lower than Tier 2 capital (as defined below) (if any).

"Group" means the Issuer and its consolidated subsidiaries.

"Lead Regulator applicable to the Issuer" means the UK Prudential Regulation Authority or any successor or other entity primarily responsible for the prudential supervision of the Issuer.

"Tier 2 capital" has the meaning given to it by the Lead Regulator applicable to the Issuer from time to time.

- (5) Subject to Condition 6(7), the Issuer or any holding or subsidiary company of the Issuer or any subsidiary of any such holding company may purchase the Bonds at any price in the open market or otherwise and may resell the same, except as otherwise provided for by applicable laws and in the Business Rules.
- (6) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem or repay the principal of the Bonds in whole or in part prior to the maturity thereof.
- (7) The Issuer may only exercise a right to redeem the Bonds pursuant to Condition 6(4) where the date fixed for redemption falls before the fifth anniversary of the Issue Date if the Issuer has first complied with the Regulatory Preconditions (as defined below) and obtained any Relevant Supervisory Consent. The Issuer may only exercise a right to redeem or purchase the Bonds pursuant to Condition 6(4) where the date fixed for redemption falls on or after the fifth anniversary of the Issue Date or Condition 6(2), (3) or (5), unless (x) the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to qualify as part of the Issuer's regulatory capital, (y) the Bonds are repurchased for market-making purposes in accordance with any permission given by the Lead Regulator applicable to the Issuer pursuant to Applicable Rules (including, without limitation, Article 29(3) of Commission Delegated Regulation (EU) No. 241/2014 as it

forms part of United Kingdom domestic law by virtue of the EUWA (as defined below)) within the limits prescribed in such permission or (z) the Bonds are being redeemed or repurchased pursuant to any general prior permission granted by the Lead Regulator applicable to the Issuer pursuant to Applicable Rules within the limits prescribed in such permission, if the Issuer has first obtained any Relevant Supervisory Consent and (in the case of a redemption pursuant to Condition 6(2) or a purchase pursuant to Condition 6(5) where the date fixed for redemption or repurchase falls before the fifth anniversary of the Issue Date) complied with the Regulatory Preconditions. For these purposes, as between the Issuer and the Bondholders, the Issuer shall be deemed to have complied with above-mentioned conditions (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained any Relevant Supervisory Consent delivered to the Fiscal Agent shall be conclusive as to the Issuer having obtained such consent and shall be binding on the Bondholders.

"**Applicable Rules**" means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the United Kingdom including, without limitation to the generality of the foregoing, the UK CRR (as defined below), the Banking Act (as defined below) and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Lead Regulator applicable to the Issuer from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Issuer and any holding or subsidiary company of the Issuer or any subsidiary of any such holding company), in each case as amended, supplemented or replaced from time to time.

"**Banking Act**" means the UK Banking Act 2009, as amended.

"**EUWA**" means the UK European Union (Withdrawal) Act 2018, as amended.

"**Regulatory Preconditions**" means:

- (a) in the case of a redemption pursuant to Condition 6(2), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the relevant taxation event is a change in the applicable tax treatment of the Bonds which is material and was not reasonably foreseeable on the Issue Date;
- (b) in the case of a redemption pursuant to Condition 6(4), the Issuer has demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the relevant change in the regulatory classification of the Bonds was not reasonably foreseeable on the Issue Date; or
- (c) in any circumstances, the Issuer having demonstrated to the satisfaction of the Lead Regulator applicable to the Issuer that the Issuer has (or will have), before or at the same time as such redemption or purchase, replaced the Bonds with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Lead Regulator applicable to the Issuer having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances.

"**Relevant Supervisory Consent**" means, in relation to any redemption or purchase of any Bonds, any required permission of the Lead Regulator applicable to the Issuer for such redemption or purchase under the prevailing Applicable Rules.

"**UK CRR**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended or supplemented from time to time, as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

7. **Payment**

- (1) Payment of principal and interest in respect of the Bonds shall be made by the Paying Agent to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other cases through the relevant account management institutions (*kouza kanri kikan*) (the "**Account**

Management Institutions") with which such Bondholders have opened their accounts to have the Bonds recorded in accordance with the Book-Entry Transfer Law and the Business Rules.

- (2) If any due date for the payment of principal of or interest on the Bonds falls on a day which is not a Business Day, the Bondholders shall not be entitled to payment of the amount due until the next following Business Day, nor shall they be entitled to the payment of any further or additional interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Paying Agent after such due date, the Issuer shall, or shall cause the Fiscal Agent to, give public notice to the Bondholders to that effect and of the method of payment and the date of such payment as soon as practicable but not later than 14 days after receipt of such amount by the Paying Agent. If at the time of such receipt either the method or the date of such payment (or both) is not determinable, the Issuer or the Fiscal Agent shall give public notice to the Bondholders of such receipt and of the method and/or the date of such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date of such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

8. **Taxation**

- (1) All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") in respect of payments of interest only (and not principal) as will result in the receipt by the Bondholder of such amounts as would have been received by such Bondholder if no such withholding or deduction had been required, except that no such Additional Amounts shall be payable in respect of any Bond (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with the Taxing Jurisdiction other than the mere holding of such Bond or (ii) (only in the event that the Bond Certificates are issued) more than 30 days after the Relevant Date (as defined below) except to the extent the Bondholder would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

"**Relevant Date**" means whichever is the later of (i) the date on which the relevant payment of interest first becomes due and (ii) if the full amount payable on such due date has not been duly received by the Paying Agent on or prior to such due date, the date on which, such full amount having been so received by the Paying Agent, the last public notice to that effect has been duly given by the Issuer or the Fiscal Agent in accordance with Condition 7(3).

- (2) Any reference in these Conditions of Bonds to interest shall be deemed also to refer to any Additional Amounts which may be payable in respect of interest under this Condition 8. All expenses necessary for the procedures under this Condition 8 shall be borne by the Issuer.
- (3) Notwithstanding any other provision in these Conditions of Bonds, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify a Bondholder for any FATCA withholding deducted or withheld by the Issuer, the Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

9. **Enforcement**

- (1) If default is made for a period of 14 days or more in the payment of any principal or interest due on the Bonds, any Bondholder may, in order to enforce payment, at its discretion and without further notice, institute proceedings for the winding up of the Issuer in England; **provided that** it

shall not be such a default to withhold or refuse any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (ii) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time during the said period of 14 days by independent legal advisers of recognised standing as to such validity or applicability.

- (2) Any Bondholder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit and may, subject as hereinafter provided, institute proceedings for the winding up of the Issuer in England and/or prove in any winding up or administration of the Issuer in England, to enforce any obligation, condition or provision binding on the Issuer under the Bonds (other than any obligation for the payment of any principal, interest or expenses in respect of such Bonds or any other payment obligation in respect thereof) **provided that** the Issuer shall not by virtue of the institution of any such proceedings other than proceedings for the winding up of the Issuer be obliged to pay any sum or sums (whether in respect of principal or interest or other sums in respect of the relevant Bonds or by way of damages in respect of any breach of any such obligation, condition or provision or otherwise howsoever). The Bondholders may only institute proceedings for the winding up of the Issuer to enforce the obligations above referred to in this Condition 9(2) and/or prove in any winding up or administration of the Issuer in England if a default by the Issuer thereunder is not remedied within 60 days (or such longer period as approved by an Extraordinary Resolution (as defined in Condition 10(3))) after notice of such default has been given to the Issuer by any Bondholder at the head office of the Fiscal Agent requiring such default to be remedied (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the certificate (the "**Certificate**") certifying the holding of the relevant Bond and issued by the Book-Entry Transfer Institution or the relevant Account Management Institution).
- (3) If an order is made or an effective resolution is passed for the winding up of the Issuer in England (otherwise than in connection with a scheme of reconstruction or amalgamation the terms of which shall previously have been approved by an Extraordinary Resolution), any Bondholder may, at its option, by giving written notice by or on behalf of such Bondholder to the Issuer at the head office of the Fiscal Agent (at the time of giving such notice, such Bondholder shall present, at the head office of the Fiscal Agent, the Certificate), declare that any Bond(s) held by such Bondholder shall be forthwith due and payable, whereupon the same shall become immediately due and payable at a price equal to 100% of the principal amount together with interest accrued to and including such date.
- (4) No remedy against the Issuer (including any right of set-off) other than as specifically provided by this Condition 9 shall be available to the Bondholders whether for the recovery of amounts owing in respect of the Bonds or in respect of any breach by the Issuer of any obligation, condition or provision under the Bonds or otherwise.
- (5) All expenses necessary for the procedures under this Condition 9 shall be borne by the Issuer.

10. **Bondholders' Meetings**

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of the Bondholders in the event that: (a) Bondholders holding one-tenth (1/10) or more of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent on behalf of the Issuer at the head office of the Fiscal Agent, **provided that** such Bondholders shall have presented to the Fiscal Agent the Certificates; or (b) the Issuer should deem it necessary to hold a Bondholders' meeting, in each case, by giving written notice at least 35 days prior to the proposed date of the meeting to the Fiscal Agent.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice to the Bondholders of the Bondholders' meeting at least 21 days prior to the date of such meeting and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent

on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds (for the time being outstanding) held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless the Bondholder returns the relevant Certificate to the Book-Entry Transfer Institution or the relevant Account Management Institution of such Bondholder. The Issuer may have its representative attend such meeting and express its opinion thereat.

- (3) Resolutions at such Bondholders' meeting shall be passed by more than one-half (1/2) of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution is required with respect to the following items:
- (a) giving a grace of payment, an exemption from obligations or liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters referred to in (b) below);
 - (b) any acts of litigation to be made with respect to all the Bonds, or all acts pertaining to the bankruptcy, corporate reorganisation or similar proceedings of the Issuer;
 - (c) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them; and
 - (d) any other matters where the Extraordinary Resolution is required under the provisions of these Conditions of Bonds.

"**Extraordinary Resolution**" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the aggregate amount of the voting rights held by the Voting Rights Holders representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

Notwithstanding the foregoing, in the case where the Issuer or the Bondholders make a proposal with respect to any matter that is the subject of a Bondholders' meeting, if all the Bondholders express their consent to such proposal in writing or (in the event the Issuer permits the expression of their consent by electronic method) by an electronic method, it shall be deemed that a resolution to approve such proposal has been passed at a Bondholders' meeting. If it is deemed that a resolution has been passed at a Bondholders' meeting pursuant to this paragraph, the Issuer shall immediately notify the Fiscal Agent to that effect and of the contents of such resolution.

- (4) The resolution passed or deemed to be passed pursuant to this Condition 10 shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 10, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.

(7) All expenses necessary for the procedures under this Condition 10 shall be borne by the Issuer.

11. **Merger, Consolidation, Etc.**

The Issuer may, without the consent of the Bondholders, consolidate or amalgamate with or merge into any other corporation or convey or sell or transfer or lease its properties and assets substantially as an entirety to any other corporation, **provided that:**

- (a) the corporation formed by such consolidation or amalgamation or into which the Issuer is merged or to which conveyance, transfer or lease of the properties and assets of the Issuer, substantially as an entirety, is made (i) shall expressly assume, by a supplemental agreement executed by such successor corporation and/or the Issuer with the Fiscal Agent, the due and punctual payment of any principal or interest in respect of all the Bonds and the performance of every obligation and covenant under these Conditions of Bonds on the part of the Issuer to be performed or observed and (ii) the definition of "**Taxing Jurisdiction**" shall be amended, if applicable, to replace the United Kingdom with the jurisdiction in which such successor corporation is resident for tax purposes;
- (b) immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of the successor corporation, as a result of such transaction as having been incurred by the successor corporation at the time of such transaction, no event specified in Condition 9(1) or 9(3) or failure by the successor corporation to remedy a default within the time specified in Condition 9(2), and no event that, after notice or lapse of time, or both, would become such event or failure, shall have occurred and be continuing; and
- (c) the Issuer and the successor corporation have delivered to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating, and a written opinion of independent legal advisers of recognised standing confirming, that such consolidation, merger, conveyance, transfer or lease comply with this Condition 11.

Such certificate and opinion delivered to the Fiscal Agent pursuant to this Condition 11 shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date of the Bonds and shall be made available for perusal or photocopying by any Bondholder during normal business hours of the Fiscal Agent. All expenses incurred for such photocopying shall be borne by the applicant therefor.

Upon any consolidation or amalgamation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety to any other corporation in accordance with this Condition 11, the successor corporation formed by such consolidation or amalgamation or into which the Issuer is merged or the successor corporation to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions of Bonds with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions of Bonds.

12. **Registration Book**

The registration book for the Bonds shall be prepared, administered and kept by the Fiscal Agent at its head office on behalf of the Issuer.

13. **Prescription**

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

14. **Public Notices**

All public notices relating to the Bonds shall be published once in the Japanese Official Gazette (if possible) and once in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs. Direct notification to individual Bondholders need not be made. Such public notices

to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer. The Fiscal Agency Agreement provides that the Issuer shall request the Fiscal Agent in writing to give such public notices on behalf of the Issuer whenever necessary under these Conditions of Bonds.

15. **Currency Indemnity**

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered in Japanese yen and the Issuer undertakes to pay to such Bondholder the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which any amount expressed in Japanese yen is (or is to be treated as) converted into such currency other than Japanese yen for the purposes of any such judgment or order, and (ii) the date or dates of discharge of such judgment or order (or part thereof). To the extent permitted by any applicable law, the above undertaking shall constitute a separate and independent obligation of the Issuer from its other obligations, shall give rise to a separate and independent cause of action against the Issuer, shall apply irrespective of any indulgence granted by any Bondholder from time to time and shall continue in full force and effect notwithstanding any judgment or order.

16. **Agreement with Respect to the Exercise of the UK Bail-in Power**

- (1) Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understandings between the Issuer and any Bondholder, by its acquisition of the Bonds, each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) acknowledges and accepts that the Amounts Due (as defined below) arising under any Bonds may be subject to the exercise of UK Bail-in Power (as defined below) by the Relevant UK Resolution Authority (as defined below), and acknowledges, accepts, consents and agrees to be bound by:
- (a) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority that may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the Amounts Due; (ii) the conversion of all, or a portion, of the Amounts Due into the Issuer's or another person's shares, other securities or other obligations (and the issue to, or conferral on, the Bondholder of such shares, other securities or other obligations), including by means of an amendment, modification or variation of these Conditions of Bonds; (iii) the cancellation of the Bonds; and/or (iv) the amendment or alteration of the date for redemption of the Bonds or amendment of the amount of interest payable on the Bonds, or the Interest Payment Dates, including by suspending payment for a temporary period; and
 - (b) the variation of these Conditions of Bonds, if necessary, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

"Amounts Due" means the principal amount of, and any accrued but unpaid interest, including any Additional Amounts, on, the Bonds. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

"Bail-In Legislation" means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act.

"Relevant UK Resolution Authority" means any authority with the ability to exercise a UK Bail-in Power.

"UK Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

- (2) Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to any Bond will constitute a default under the Bonds for any purpose.
- (3) Upon the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority with respect to the Bonds, the Issuer shall immediately notify the Fiscal Agent in writing of such exercise and give public notice of the same to the Bondholders through the Fiscal Agent. For avoidance of doubt, any delay or failure by the Issuer in delivering any notice or public notice referred to in this Condition 16(3) shall not affect the validity and enforceability of the UK Bail-in Power.
- (4) By its acquisition of the Bonds, to the fullest extent permitted by applicable law (including, without limitation, the Business Rules), each Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) shall be deemed to have authorized, directed and requested the Book-Entry Transfer Institution and the Institution Participant or the Account Management Institution, as the case may be, to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Bonds as it may be imposed, without any further action or direction on the part of such Bondholder or beneficial owner, and the Fiscal Agent.
- (5) Any Bondholder (which, for these purposes, includes each beneficial owner of the Bonds) that acquires the Bonds in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any Bondholder shall be deemed to acknowledge, agree to be bound by and consent to the same provisions in this Condition 16 to the same extent as the Bondholders that acquire the Bonds upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to these Conditions of Bonds related to the UK Bail-in Power.

17. **Governing Law and Jurisdiction**

Except as to the authorisation relating to the issue of the Bonds by the Issuer and the subordination provisions in Condition 2, which shall be governed by and construed in accordance with English law, the Bonds and all the rights and obligations of all the parties concerned, including the Bondholders, arising thereunder shall in all respects be governed by and construed in accordance with the laws of Japan.

Except as otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal or other court procedural action against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted, on a non-exclusive basis, in the Tokyo District Court, to the jurisdiction of which the Issuer hereby expressly, unconditionally and irrevocably agrees to submit.

The Issuer hereby appoints the Representative in Japan of The Hongkong and Shanghai Banking Corporation Limited as the authorised agent of the Issuer upon whom process or any judicial or other court documents may be served in any legal or other court procedural action arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Tokyo, Japan; the Issuer hereby designates the address from time to time of the Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited, currently at HSBC Building, 11-1, Nihonbashi 3-chome,

Chuo-ku, Tokyo 103-0027, Japan, as the address to receive such process or any judicial or other court documents; and the Issuer hereby agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such appointment and designation in full force and effect. If at any time such agent shall not, for any reason, serve as such authorised agent, the Issuer shall immediately appoint, and it hereby undertakes to take any and all action that may be necessary to effect the appointment of, a successor authorised agent in Tokyo, Japan. In such case the Issuer shall promptly notify the Fiscal Agent in writing of the appointment of such successor agent and give public notice thereof.

Nothing in this Condition 17 shall affect the right of the Bondholders to institute legal or other court procedural action against the Issuer in any court of competent jurisdiction under applicable laws or to serve process or any judicial or other court documents in any manner otherwise permitted by law.

18. **Modifications and Amendments**

To the fullest extent permitted by applicable law, certain modifications and amendments to these Conditions of Bonds may be made without the consent of any Bondholder, only for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained herein, adding covenants for the benefit of the Bondholders, surrendering rights or powers conferred on the Issuer, or in any other manner which the Issuer may deem necessary and desirable and which will not adversely affect the interest of the Bondholders. The Issuer shall immediately notify the Fiscal Agent in writing of any such modification and amendment and give public notice of the same to the Bondholders as soon as practicable thereafter. All expenses necessary for the procedures under this Condition 18 shall be borne by the Issuer.

DESCRIPTION OF THE ISSUER

Information regarding the Issuer is set out in the Registration Document incorporated into this document by reference on page 15 (*Documents Incorporated by Reference*).

DIRECTORS OF THE ISSUER

The directors of the Issuer, each of whose business address is 8 Canada Square, London E14 5HQ, United Kingdom, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

<u>Name</u>	<u>Function(s) within the Group</u>	<u>Principal outside activities</u>
Mark E Tucker	Non-executive Group Chairman Chairman of the Chairman's Committee Chairman of the Nomination & Corporate Governance Committee	Non-executive Chairman of Discovery Limited
Noel Quinn	Group Chief Executive Member of the Chairman's Committee Chairman of the Group Executive Committee	Member of the Advisory Board of the China Children Development Fund; Member of The World Economic Forum's International Business Council; Founding Member of CNBC ESG Council; Member of the Principals Group of The Glasgow Financial Alliance for Net Zero; and, Member of the Advisory Council of The Sustainable Markets Initiative Chair of the Financial Services Task Force of HRH The Prince of Wales' Sustainable Markets Initiative
Ewen Stevenson	Group Chief Financial Officer Member of the Chairman's Committee Member of the Group Executive Committee Director of HSBC UK Holdings Limited Director of The Hongkong and Shanghai Banking Corporation Limited	Chair, The Royal National Institute for Deaf People
Geraldine Buckingham	Independent Non-executive Director Member of the Chairman's Committee Member of the Group Remuneration Committee Member of the Group Risk Committee	Member of the Advisory Board of ClimateWorks Australia

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
	Member of the Nomination & Corporate Governance Committee	
Rachel Duan	Independent Non-executive Director	Independent Non-executive Director of AXA; Independent Non-executive Director of Sanofi; Independent Non-executive Director of The Adecco Group
	Member of the Chairman's Committee	
	Member of the Group Remuneration Committee	
	Member of the Group Audit Committee	
	Member of the Nomination & Corporate Governance Committee	
Dame Carolyn Fairbairn	Independent Non-executive Director	Chair of the Board of Trustees of The Royal Mencap Society; Honorary Fellow of Gonville and Caius College, Cambridge; Honorary Fellow of Nuffield College, Oxford
	Member of the Chairman's Committee	
	Chair of the Group Remuneration Committee	
	Member of the Group Risk Committee	
	Member of the Nomination & Corporate Governance Committee	
James Anthony Forese	Independent Non-executive Director	Non-executive Chairman of Global Bamboo Technologies; Trustee of Colby College
	Member of the Chairman's Committee	
	Member of the Group Risk Committee	
	Member of the Group Remuneration Committee	
	Member of the Nomination & Corporate Governance Committee	
	Non-executive Chairman of HSBC North America Holdings, Inc	

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
Steven Guggenheimer	<p>Independent Non-executive Director</p> <p>Member of the Chairman's Committee</p> <p>Member of the Group Risk Committee</p> <p>Member of the Nomination & Corporate Governance Committee</p>	<p>Non-executive Director of Forrit Technology Limited; Non-executive Director of The Software Acquisition Group Inc.; Non-executive Director of Leupold & Stevens, Inc; Advisor to Tensility Venture Partners LLC; Advisor to The 5G Open Innovation Lab; Advisor to UC Davis – Department of Physics</p>
José Antonio Meade Kuribreña	<p>Independent Non-executive Director</p> <p>Member of the Chairman's Committee</p> <p>Member of the Group Nomination & Corporate Governance Committee</p> <p>Member of the Group Remuneration Committee</p>	<p>Non-executive Director of Alfa S.A.B. de C.V.; Non-executive Director of Grupo Comercial Chedraui SAB de CV; Member of Independent Task Force on Creative Climate Action; Advisor to the University of California, the Center for US Mexico Studies (USMEX), Advisory Board; Consultant of Brennan & Partners; Senior Advisor to MEXPAC FE; Board Member of The Global Center on Adaptation and Member of the UNICEF Mexico Advisory Board</p>
Eileen Murray	<p>Independent Non-executive Director</p> <p>Member of the Chairman's Committee</p> <p>Member of Group Audit Committee</p> <p>Member of Nomination & Corporate Governance Committee</p>	<p>Non-executive Director of Guardian Life Insurance Company of America; Advisor to Lukka, Inc; Director of Humanity Corp.; Advisor to ConsenSys; Chair and Senior Advisor to Invisible Urban Charging; Non-executive Director and Chair of Carbon Arc.; Independent Director of Broadridge Financial Solutions, Inc</p>
David Nish	<p>Senior Independent Non-executive Director</p> <p>Member of the Chairman's Committee</p> <p>Chairman of the Group Audit Committee</p> <p>Member of the Nomination & Corporate Governance Committee</p> <p>Member of the Group Risk Committee</p>	<p>Non-executive Director of Vodafone Group plc</p>
Jackson Tai	<p>Independent Non-executive Director</p>	<p>Non-executive Director of Eli Lilly and Company; Non-executive Director of MasterCard Incorporated</p>

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
	Member of the Chairman's Committee	
	Chairman of the Group Risk Committee	
	Member of the Group Audit Committee	
	Member of the Nomination & Corporate Governance Committee	

There are currently no existing or potential conflicts of interest between any duties owed to the Issuer by its Directors (as described above) and the private interests and/or other external duties owed by these individuals.

Group Company Secretary & Chief Governance Officer

All Directors have access to the advice and services of the Group Company Secretary & Chief Governance Officer, who is responsible to the Board for ensuring that Board procedures and all applicable rules and regulations are complied with, and for advising the Board on corporate governance matters.

Under the direction of the Group Chairman, the Group Company Secretary & Chief Governance Officer is responsible for ensuring good information flows within the Board and its committees and between senior management and non-executive Directors, as well as facilitating induction and assisting with professional development as required. The details of the Group Company Secretary & Chief Governance Officer and her principal outside activities (if any) of significance to the Group are as follows:

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
Aileen Taylor	Group Company Secretary	Member of European Corporate Governance Council; Member of GC100;
	Chief Governance Officer	Member of Financial Conduct Authority's Listing Authority Advisory Panel
	Member of the Group Executive Committee	

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Bonds. It is based on current law and the published practice of Her Majesty's Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of the Bonds. The comments relate only to the position of persons who are absolute beneficial owners of the Bonds. Prospective Bondholders should be aware that the particular terms of issue of any series of Bonds may affect the tax treatment of that and other series of Bonds. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Bondholders who are in any doubt as to their tax position should consult their professional advisers. Bondholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Bonds. In particular, Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

(A) United Kingdom Withholding Tax

- (1) The Bonds which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the United Kingdom Income Tax Act 2007 (the "Act") for the purposes of section 987 of the Act) or admitted to trading on a "multilateral trading facility" (within the meaning of section 987 of the Act). Whilst such Bonds are and continue to be quoted Eurobonds, payments of interest on the Bonds may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

Euronext Dublin is a recognised stock exchange (within the meaning of section 1005 of the Act). The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Global Exchange Market of Euronext Dublin may be regarded as "listed on a recognised stock exchange" for these purposes.

- (2) In all other cases falling outside the exemption described in paragraph (A)(1) above, interest on the Bonds may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.

(B) Other Rules Relating to United Kingdom Withholding Tax

- (1) Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty or where local tax laws allow.
- (2) Where a Bond is issued at an issue price of less than 100 per cent of its principal amount, any discount element on any such Bond will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in (A) above.

- (3) Where a Bond is to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.
- (4) The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation. Where a payment on a Bond does not constitute (or is not treated as) interest for United Kingdom tax purposes, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the particular terms of issue of the Bond). In such a case, the payment may fall to be made under deduction of United Kingdom income tax (the rate of withholding depending on the nature of the payment), subject to any exemption from withholding which may apply and to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double tax treaty. Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Bonds which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.
- (5) The above summary under the heading of United Kingdom Taxation assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

CERTAIN OTHER TAXATION MATTERS

Withholding on account of U.S. tax under FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements (each an "IGA") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to 1 January 2019 and Bonds treated as debt for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Words and expressions defined in the "Terms and Conditions of the Bonds (Senior Bonds)" and "Terms and Conditions of the Bonds (Subordinated Bonds)" below or elsewhere in these Listing Particulars have the same meanings in this overview.

HSBC Securities (Japan) Co., Ltd. and the other managers named therein (together, the "**Joint Lead Managers**"), in subscription agreements dated 8 September 2022 (the "**Subscription Agreements**") and made between the Issuer and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Bonds at their respective Issue Price.

United States of America

The Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

General

Persons into whose hands these Listing Particulars come are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they subscribe for, purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

1. The creation and issue of the Bonds was authorised pursuant to resolutions of the Board of Directors of the Issuer passed on 17 February 2022.
2. In relation to the Issuer, any transfer of, or payment in respect of, a Bond involving the government of any country which is at the relevant time the subject of United Nations sanctions, any person or body resident in, incorporated in or constituted under the laws of any such country or exercising public functions in any such country or any person or body controlled by any of the foregoing or by any person acting on behalf of the foregoing may be subject to restrictions pursuant to such sanctions.
3. For so long as the Bonds are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, the physical form of the following documents may be inspected during normal business hours at the registered office of the Issuer:
 - (a) the up to date memorandum and articles of the Issuer (website: <https://www.hsbc.com/> (please follow links to 'Investor', 'Shareholder Information', 'Annual General Meeting'));
 - (b) the Subscription Agreement;
 - (c) the Fiscal Agency Agreement;
 - (d) the 2020 Form 20-F and 2021 Form 20-F (website: <https://www.hsbc.com/> (please follow links to 'Investors', 'Results and Announcements', 'All Reporting'));
 - (e) the Q1 2022 Earnings Release (website: <https://www.hsbc.com/> (please follow links to 'Investors', 'Results and Announcements', 'All Reporting')); and
 - (f) the Unaudited Consolidated Interim Report (website: <https://www.hsbc.com/> (please follow links to 'Investors', 'Results and Announcements', 'All Reporting'))).
4. The Issuer will, at its registered office and at the registered office of HSBC Securities (Japan) Co., Ltd., make available for inspection during normal office hours, free of charge, upon oral or written request, a copy of these Listing Particulars and any document incorporated by reference therein prepared in relation to the Bonds. Written or oral requests for such documents should be directed to the registered office of the Issuer.
5. PricewaterhouseCoopers LLP has audited without qualification the financial statements contained in the 2021 Form 20-F for the financial years ended 31 December 2020 and 2021.
6. There has been no material adverse change in the prospects of the Issuer since 31 December 2021.
7. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 30 June 2022
8. Save as disclosed in Note 27 (*Provisions*) and in Note 34 (*Legal proceedings and regulatory matters*) on page 379 to 398, and on pages 410 to 413, respectively, of the 2021 Form 20-F and in Note 13 (*Legal proceedings and regulatory matters*) on pages 126 to 128 of the Unaudited Consolidated Interim Report (each incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 month period before the date of these Listing Particulars which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries.
9. The Bonds have been accepted for clearance through the facilities of JASDEC. For the Seventh Series Bonds, the ISIN is JP582666AN94; for the Eighth Series Bonds, the ISIN is JP582666BN93; for the Ninth Series Bonds, the ISIN is JP582666CN92; and for the Subordinated Bonds, the ISIN is JP582666DN91.
10. The Legal Entity Identifier (LEI) code of the Issuer is MLU0ZO3ML4LN2LL2TL39.

HEAD AND REGISTERED OFFICE OF THE ISSUER

HSBC Holdings plc

8 Canada Square
London
E14 5HQ
United Kingdom

FISCAL AGENT

Sumitomo Mitsui Banking Corporation

1-2, Marunouchi 1-chome
Chiyoda-ku
Tokyo 100-0005
Japan

LEGAL ADVISERS TO THE ISSUER

as to English law

Clifford Chance LLP

10 Upper Bank Street
London E14 5JJ

as to Japanese law

Clifford Chance Law Office

(Gaikokuho Kyodo Jigyo)
1-1, Marunouchi 1-chome, Palace Building, 3rd floor
Chiyoda-ku, Tokyo 100-0005