

## LISTING PARTICULARS DATED 11 SEPTEMBER 2026



### HSBC HOLDINGS PLC

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

*as Issuer*

**¥21,600,000,000 2.769% Senior Unsecured Callable Bonds – Thirteenth Series (2026) due 11 September 2030**  
**¥25,700,000,000 3.227% Senior Unsecured Callable Bonds – Fourteenth Series (2026) due 10 September 2032**  
**¥7,000,000,000 3.879% Senior Unsecured Callable Bonds – Fifteenth Series (2026) due 11 September 2037**

On 11 September 2026, HSBC Holdings plc (the "**Issuer**") issued ¥21,600,000,000 2.769% Senior Unsecured Callable Bonds – Thirteenth Series (2026) due 11 September 2030 (the "**Thirteenth Series Bonds**"), ¥25,700,000,000 3.227% Senior Unsecured Callable Bonds – Fourteenth Series (2026) due 10 September 2032 (the "**Fourteenth Series Bonds**") and ¥7,000,000,000 3.879% Senior Unsecured Callable Bonds – Fifteenth Series (2026) due 11 September 2037 (the "**Fifteenth Series Bonds**") and together with the Thirteenth Series Bonds and Fourteenth Series 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 in the United Kingdom (the "**UK**") 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 the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") or the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") and, together with the POATRs, the "**UK Prospectus Regime**") 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 exceptions set out in Part 1 of Schedule 1 to the POATRs (except for paragraph 6(a))) 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 the UK Prospectus Regime.

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

**AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. SEE PAGE 5 FOR RISK FACTORS.**

The 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 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.*

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## 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" below or elsewhere in these Listing Particulars have the same meanings in this overview.*

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Issuer:</b>          | HSBC Holdings plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Joint Lead Managers:</b> | HSBC Securities (Japan) Co., Ltd.<br>Daiwa Securities Co. Ltd.<br>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.<br>Mizuho Securities Co., Ltd.<br>Nomura Securities Co., Ltd.<br>SMBC Nikko Securities Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Fiscal Agent:</b>        | Sumitomo Mitsui Banking Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>The Bonds:</b>           | ¥21,600,000,000 2.769% Senior Unsecured Callable Bonds –<br>Thirteenth Series (2026) due 11 September 2030<br><br>¥25,700,000,000 3.227% Senior Unsecured Callable Bonds –<br>Fourteenth Series (2026) due 10 September 2032<br><br>¥7,000,000,000 3.879% Senior Unsecured Callable Bonds –<br>Fifteenth Series (2026) due 11 September 2037                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Issue Price:</b>         | 100.000 per cent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Issue Date:</b>          | 11 September 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Interest:</b>            | <p>The Bonds bear interest from and including 12 September 2026 (being the day immediately following the Issue Date), payable semi-annually in arrear:</p> <p>i) in the case of the Thirteenth Series Bonds and the Fifteenth Series Bonds, on 11 March and 11 September of each year; and</p> <p>ii) in the case of the Fourteenth Series Bonds, on 10 March and 10 September of each year,</p> <p>in each case in respect of the half-year period to and including each such Interest Payment Date, except that the first interest payment in respect of the Fourteenth Series Bonds, payable on 10 March 2027 in respect of the period from and including 12 September 2026 to and including 10 March 2027, which period is less than six months and will therefore be calculated on the basis described in the Conditions of Bonds.</p> <p>From and including 12 September 2026 (being the day immediately following the Issue Date) to and including 11 September 2029, the Thirteenth Series Bonds bear interest at the rate of 2.769 per cent. per annum on their principal amount.</p> |

From and including 12 September 2026 (being the day immediately following the Issue Date) to and including 10 September 2031, the Fourteenth Series Bonds bear interest at the rate of 3.227 per cent. per annum on their principal amount.

From and including 12 September 2026 (being the day immediately following the Issue Date) to and including 11 September 2036, the Fifteenth Series Bonds bear interest at the rate of 3.879 per cent. per annum on their principal amount.

From and including 12 September 2029 to and including 11 September 2030, the Thirteenth 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 11 September 2029 and 0.750 per cent. per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

From and including 11 September 2031 to and including 10 September 2032, the Fourteenth 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 10 September 2031 and 0.950 per cent. per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

From and including 12 September 2036 to and including 11 September 2037, the Fifteenth 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 11 September 2036 and 1.100 per cent. per annum; **provided, however, that** such rate of interest shall not be less than 0 per cent.

**Initial Interest Payment Date:**

Thirteenth Series Bonds: 11 March 2027

Fourteenth Series Bonds: 10 March 2027

Fifteenth Series Bonds: 11 March 2027

**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 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.

**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 effect of 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: (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 the powers under the Bail-In Legislation (as defined in the Conditions) 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.

**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 Rules (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:**

Thirteenth Series Bonds: 11 September 2030 at 100.000 per cent. of their principal amount.

Fourteenth Series Bonds: 10 September 2032 at 100.000 per cent. of their principal amount.

Fifteenth Series Bonds: 11 September 2037 at 100.000 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 defined below) pursuant to Condition 8 of the Bonds; or
- 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 pursuant to Condition 8 of the Bonds; or

- iii) on a subsequent Interest Payment Date under the Bonds, 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 UK corporation tax purposes,

as a result of a change in, or amendment to, the laws of the United Kingdom or any political subdivision or authority thereof or therein having the power to tax (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, 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 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 United Kingdom (or any political subdivision or authority thereof or therein 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:**

Except as to the authorisation relating to the issue of the Bonds by the Issuer and the second paragraph of Condition 2 of the Bonds, which will be governed by and construed in accordance with the laws of England and Wales, the Bonds are governed by, and shall be construed in accordance with, the laws of Japan.

**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 (*furikae kikan*) of the Bonds under the Book-Entry Transfer Law.

**Selling Restrictions:**

See "*Subscription and Sale*".

**Risk Factors:**

Investing in the Bonds involves risks. See "Risk Factors".

**ISIN:**

Thirteenth Series Bonds: JP582666AS99

Fourteenth Series Bonds: JP582666BS98

Fifteenth Series Bonds: JP582666CS97

## 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 Issuer's registration document dated 30 March 2026, 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. Terms and expressions in these risk factors shall, unless otherwise defined or unless the context requires otherwise have the same meaning and be construed in accordance with the Terms and Conditions (the "**Conditions**") of the Bonds. References in these Listing Particulars 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.*

### **Risks relating to the Issuer**

The section entitled "Risk Factors" on pages 126 to 137 of the Form 20-F dated 26 February 2026 filed with the U.S. Securities and Exchange Commission ("**SEC**") (as set out at <https://www.sec.gov/Archives/edgar/data/1089113/000108911326000010/hsbc-20251231.htm>) (the "**2025 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.

### **Applicable Bank Resolution Powers**

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended, supplemented or replaced from time to time, the "**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the

institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the UK the Banking Act has implemented the majority of the provisions of the BRRD and therefore provides the framework for the UK recovery and resolution regime.

#### *Statutory Intervention Powers*

The Issuer, as the parent company of a UK bank, is subject to the Banking Act which gives wide powers in respect of UK banks and their parent and other group companies to His Majesty's Treasury ("**HM Treasury**"), the Bank of England, the Prudential Regulation Authority and/or the Financial Conduct Authority (each a "**relevant UKRA**") in circumstances where a UK bank or its parent has encountered or is likely to encounter financial difficulties. These powers include 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, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) 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; (c) commence certain insolvency procedures in relation to a UK bank; and (d) 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 the special resolution regime powers effectively, potentially with retrospective effect.

#### *Power to reduce Bondholders' claims*

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power.

The write-down and conversion of capital instruments and liabilities power may be used where the relevant UKRA has determined that the institution concerned and/or in the case of a holding company, an institution in its group has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required (however the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out 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 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. Note that the write-down and conversion of capital instruments and liabilities power can only be applied to capital instruments of the Issuer and so this power should not be applied to the Bonds.

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Bonds) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Bonds) into another security, including ordinary shares of the surviving entity or its holding company, if any and/or to amend or alter the terms of such claims, including the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment following the exercise of the bail-in power than they would have had the institution entered into insolvency may be entitled to compensation.

Moreover, pursuant to the exercise of the bail-in power, any securities that may be issued to Bondholders 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 that Bondholders receive upon conversion of such 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 depositary receipts listed on the New York Stock Exchange or 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 (which may be an entity other than the Issuer) of any securities issued upon conversion of such 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 bail-in power.

Furthermore, Bondholders may have only limited rights to challenge and/or seek a suspension of any decision of the relevant UKRA to exercise the bail-in power (or any of its other resolution powers) or to have that decision reviewed by a judicial or administrative process or otherwise.

Although the exercise of the bail-in power under the Banking Act is subject to certain preconditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Bonds). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities. In some circumstances, the relevant UKRA 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 depositary to hold during the bail-in period, with the terms of the write-down being determined at a later point in the bail-in period. Accordingly, it is not yet possible to assess the full impact of the exercise of the bail-in power pursuant to the Banking Act or otherwise on the Issuer.

By purchasing the Bonds, each Bondholder acknowledges, agrees to be bound by and consents to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

#### *Powers to direct restructuring of the Group*

As well as a write-down and conversion of capital instruments and liabilities power and a bail-in power, the powers of the relevant UKRA under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution, impose a temporary suspension of payments, discontinue the listing and admission to trading of debt instruments and/or transfer securities of the relevant financial institution to a third party appointed by the Bank of England.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the Issuer's capacity to meet its repayment obligations under the Bonds and the exercise of any such powers (including especially the bail-in power) could lead to the Bondholders losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of the Issuer (including the Bonds), including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the Bonds are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of the Bondholders, the market value of an investment in the Bonds and/or the Issuer's ability to satisfy its obligations under the Bonds.

Although the Banking Act also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Bonds will benefit from such support even if it were provided.

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

Any change 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.

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

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, including those described above, could have on the Bonds.

The financial services industry has been and continues to be the focus of significant regulatory change and scrutiny. In addition, the UK's withdrawal from 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 BRRD was implemented), UK and EU law have diverged with respect to certain aspects of recovery and resolution, as well as regulatory capital requirements, and may diverge further, particularly as a result of the enactment of the Financial Services and Markets Act 2023 on 29 June 2023, which gives HM Treasury powers to revoke EU-derived laws (known as "retained EU laws" or "REUL" before the end of 2023 and as of 1 January 2024, known as "assimilated law") related to financial services (including 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, as it forms part of domestic law in the UK by virtue of the EUWA, "UK CRR") and replace such laws with a new UK legislative framework. In this respect, in September 2024, HM Treasury confirmed its intention to revoke and replace the remainder of the UK CRR, noting that certain parts of the UK CRR have already been replaced with Prudential Regulation Authority (the "PRA") rules. The PRA has published policy statements PS12/25 and PS3/26 in July 2025 and January 2026, respectively, which contain the final policy in relation to the restatement and modification of the remaining UK CRR provisions within the PRA rules. While certain proposed rules in PS12/25 (including those relating to the definition of capital) came into force on 1 January 2026, the remaining rules are intended to take effect from 1 January 2027. Additionally, HM Treasury made the Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 on 29 April 2026. These regulations come into force on 1 January 2027 and restate certain key definitions from UK CRR into UK legislation as a necessary prerequisite for the amendment of the overall banking prudential framework. In line with these statutory changes, on 27 May 2026, the PRA published PS14/26, which sets out how certain defined terms in UK CRR would be restated in the PRA Rulebook, with such changes to take effect from 1 January 2027.

Any significant changes in financial services regulation, including through powers derived from the Financial Services and Markets Act 2023, may adversely affect the Group's business, financial performance, capital and risk management strategies. Such regulatory changes and the resulting actions taken to address such regulatory changes may include higher capital and additional loss absorbency requirements and increased powers of competent authorities which together may have an adverse impact on the Group's, and may therefore affect the Issuer's, performance and financial condition. It is not possible to predict changes to legislation or regulatory rulemaking or the ultimate consequences of any such changes to the Group or the Bondholders, which could be material to the rights of Bondholders and/or the ability of the Issuer to satisfy its obligations under the Bonds.

***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.

***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.

***No restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee***

Subject to complying with applicable regulatory requirements in respect of the Group's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Bonds. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Bondholders on a liquidation or winding-up of the Issuer and may limit the Issuer's ability to meet its obligations under the Bonds. In addition, the Bonds do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Bonds or securities with similar or different provisions to those described herein.

### ***Structural subordination***

The Bonds are the obligations of the Issuer 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 from operating subsidiaries which hold the principal assets of the Group. As a separate legal entity, the Issuer relies on, among other things, remittance of its subsidiaries' loan and debt securities interest payments and dividends in order to be able to meet its obligations to Bondholders as they fall due. The ability of the Issuer's subsidiaries and affiliates to pay dividends and (in certain circumstances) interest payments could be restricted by changes in regulation, contractual restrictions, exchange controls, tax laws and other requirements.

In addition, as a holder of ordinary shares in its subsidiaries, the Issuer's right to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders, except where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of the subsidiary's creditors and/or preference shareholders against such subsidiary.

The Issuer has absolute discretion as to how it makes its investments in or advances funds to its subsidiaries, including the proceeds of issuances of debt securities, such as the Bonds, and as to how it may restructure existing investments and funding in the future. 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 to which they give rise. 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 the minimum requirements for own funds and eligible liabilities (MREL) or total loss absorbing capacity (TLAC) requirements in respect of such subsidiaries, which may require funding to be made on a subordinated basis.

In addition, the terms of some loans or investments made by the Issuer in capital instruments or relevant internal liabilities issued by its subsidiaries may contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition or viability of such subsidiary and/or other entities in the Group or the taking of certain actions under the relevant statutory or regulatory powers (including the write-down or conversion of own funds instruments or relevant internal liabilities, or certain entities being the subject of resolution proceedings), would, subject to certain conditions, 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. Such loans to and investments in the Issuer's subsidiaries may also be subject to the exercise of the statutory write-down and conversion of capital instruments and liabilities power or the bail-in power (see further under "*Applicable Bank Resolution Powers*" above), or any similar statutory or regulatory power that may be applicable to the relevant subsidiary. Any changes in the legal or regulatory form and/or ranking of a loan or investment could also affect its treatment in resolution.

For the reasons described above, if any subsidiary of the Issuer were to be 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 or subordinated debt, including eligible liabilities, tier 2 and additional tier 1 capital instruments, all of which may include the Issuer) before the Issuer would be entitled to receive any distributions in respect of such subsidiary's ordinary shares. 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 to some of the other 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 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 obligations of the Issuer. Investments in the Bonds do not benefit from any protection provided pursuant to the UK law which implemented the Directive (2014/49/EU) of the European Parliament and of the Council on deposit guarantee schemes (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 the "bail-in" power, which could lead to investors in the Bonds losing some or all of their investment. 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, 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 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.

The market or a significant part thereof (including the Issuer) may adopt an application of TONA or TONA TSR 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.

In addition, the manner of adoption or application of TONA and TONA TSR in the Samurai bond markets may differ materially compared with the application and adoption of TONA and TONA TSR in other markets, such as the derivatives and loan markets. Market terms for debt securities that set interest by reference to TONA TSR may evolve over time, and as a result, the trading prices of such securities (including the Bonds) may be lower than those of subsequently issued debt securities that set interest by reference to the same rate. Investors should consider how any mismatch between applicable conventions for the use of such rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Bonds, for which the rate of interest is reset by reference to TONA TSR. Investors should consider these matters when making their investment decision with respect to the Bonds.

***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. In addition, the Bank of Japan may alter, discontinue or suspend calculation or dissemination of TONA (in which case a fallback method of determining the Reset Interest Rate of the Bonds would apply). The Bank of Japan has no obligation to consider the interests of Bondholders when calculating, adjusting, converting, revising or discontinuing TONA. In addition, FTSE International Limited, 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. Further, FTSE International Limited may alter, discontinue or suspend calculation or dissemination of TONA TSR (in which case a fallback method of determining the Reset Interest Rate of the Bonds would apply). FTSE International Limited 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 in a manner which enables the Bonds to continue to count towards the minimum requirements for own funds and eligible liabilities or loss absorbing capacity of the Issuer and/or the Group, 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, excluding the section entitled "*Directors of the Issuer*";
- the 2025 Form 20-F, save for the sections entitled "Report of Independent Registered Public Accounting Firm to the Board of Directors and Shareholders of HSBC Holdings plc", "Financial Statements" and "Notes on the Financial Statements" that fall within pages 286 to 381. The 2025 Form 20-F is available on the Issuer's website at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>. The 2025 Form 20-F has also been filed with the SEC and is available in electronic form at <https://www.sec.gov/Archives/edgar/data/1089113/000108911326000010/hsbc-20251231.htm>;
- the audited consolidated financial statements of the Issuer, the independent auditors' report thereon and the notes thereto, in respect of the financial year ended 31 December 2024, as set out on pages 330 to 438 of the Annual Report and Accounts 2024 of the Issuer (the "**2024 Annual Report and Accounts**") and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the sections of the 2024 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 127 to 235 and 279 to 317 respectively of the 2024 Annual Report and Accounts. The 2024 Annual Report and Accounts is available on the Issuer's website at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>;
- the audited consolidated financial statements of the Issuer, the independent auditors' report thereon and the notes thereto, in respect of the financial year ended 31 December 2025, as set out on pages 253 to 355 of the Annual Report and Accounts 2025 of the Issuer (the "**2025 Annual Report and Accounts**") and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the sections of the 2025 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 98 to 185 and 216 to 240 respectively of the 2025 Annual Report and Accounts. The 2025 Annual Report and Accounts is available on the Issuer's website at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>;
- the earnings release for the three-month period ended 31 March 2026 (the "**Q1 2026 Earnings Release**"). The Q1 2026 Earnings Release is available at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?&page=1&take=20>; and
- the unaudited consolidated interim report for the six-month period ended 30 June 2026 (the "**Unaudited Consolidated Interim Report**"). The Unaudited Consolidated Interim Report is available at: <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>.

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 Issuer's registered office. Additionally, these Listing Particulars and all the documents incorporated by reference herein will be available for viewing at [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes' for these Listing Particulars and the Registration Document and the alternate links (as relevant) provided in the section entitled "*General Information*" for the other documents incorporated by reference). 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 (THIRTEENTH SERIES 2026)

*Below is the English translation of the Terms and Conditions of the Bonds (Thirteenth Series 2026). 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 – THIRTEENTH SERIES (2026) (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 ¥21,600,000,000.

The date of issuance of the Bonds is September 11, 2026 (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 4, 2026 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 12, 2026 (being the day immediately following the Issue Date), payable in Japanese yen semi-annually in arrear on March 11 and September 11 of each year, commencing on March 11, 2027 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 12, 2026 (being the day immediately following the Issue Date) 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 2.769% 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 0.75% 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 LSEG screen page "JPTSRTOA=RFTB Q" (or a successor page) (the "**LSEG Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by FTSE International Limited as the administrator of the benchmark (or a successor administrator) ("**FTSE International**"); 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 FTSE International 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 LSEG 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 or provider 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 or provider that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 FTSE International 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, 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 FTSE International 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 FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over

FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 event that this Condition 5(3)(e) applies, the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, 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 eligibility of the Bonds to count towards the minimum requirements for own funds and eligible liabilities or loss absorbing capacity of the Issuer and/or the Group (as defined in Condition 6(4)) for the purposes of the Loss Absorption Regulations (as defined in 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 LSEG Screen Page.

The Issuer will immediately deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds and confirming that the Replacement Rate Agent has made the relevant determinations in accordance with this Condition 5(3)(e).

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 5(3)(e) 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.

The Issuer shall give public notice of such appointment of the Replacement Rate Agent, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds to the Bondholders as soon as practicable after the determination.

**"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 or provider 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 or provider 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 11, 2030 (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;
- (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 required 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 the Issuer would be obliged to pay such Additional Amounts or (if applicable) is unable to make such deduction, 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) or (if applicable) is unable to make such deduction as described in this Condition 6(2)(c), (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 11, 2029 (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 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.

**"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 count towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity, 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 Regulation becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, 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 and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such laws, regulations, requirements, guidelines, rules 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), if the Issuer has first, in each case if and to the extent then required by the Loss Absorption Regulations, obtained any Relevant Supervisory Consent therefor.

For these purposes, as between the Issuer and the Bondholders, a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained the 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.

For the avoidance of doubt, with respect to the Issuer's right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), the above-mentioned requirement to obtain any Relevant Supervisory Consent will not apply where (x) so long as the Loss Absorption Regulations do not otherwise require, the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to be eligible to count towards the Issuer's and/or the Group's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity or (y) 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 the Loss Absorption Regulations within the limits prescribed in such permission.

**"Relevant Supervisory Consent"** means, in relation to any redemption or purchase of any Bonds, any permission of the Relevant UK Resolution Authority for such redemption or purchase that is required therefor 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 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, more generally, 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. As a result, the

Bondholders will not have the right to accelerate the Bonds or to institute proceedings for the winding-up of the Issuer solely due to the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority.

- (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 second paragraph of Condition 2, which will be governed by and construed in accordance with the laws of England and Wales, 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 (FOURTEENTH SERIES 2026)

*Below is the English translation of the Terms and Conditions of the Bonds (Fourteenth Series 2026). 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 – FOURTEENTH SERIES (2026) (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 ¥25,700,000,000.

The date of issuance of the Bonds is September 11, 2026 (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 4, 2026 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 12, 2026 (being the day immediately following the Issue Date), payable in Japanese yen semi-annually in arrear on March 10 and September 10 of each year, commencing on March 10, 2027 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 (for the avoidance of doubt, the first interest shall be payable on March 10, 2027 in respect of the period from and including September 12, 2026 to and including March 10, 2027, which period is less than 6 months and therefore shall be calculated in accordance with the day-count convention set forth below), 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 12, 2026 (being the day immediately following the Issue Date) 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 3.227% 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 0.95% 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 LSEG screen page "JPTSRTOA=RFTB Q" (or a successor page) (the "**LSEG Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by FTSE International Limited as the administrator of the benchmark (or a successor administrator) ("**FTSE International**"); 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 FTSE International 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 LSEG 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 or provider 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 or provider that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 FTSE International 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, 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 FTSE International 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 FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 event that this Condition 5(3)(e) applies, the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, 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 eligibility of the Bonds to count towards the minimum requirements for own funds and eligible liabilities or loss absorbing capacity of the Issuer and/or the Group (as defined in Condition 6(4)) for the purposes of the Loss Absorption Regulations (as defined in 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 LSEG Screen Page.

The Issuer will immediately deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds and confirming that the Replacement Rate Agent has made the relevant determinations in accordance with this Condition 5(3)(e).

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 5(3)(e) 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.

The Issuer shall give public notice of such appointment of the Replacement Rate Agent, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds to the Bondholders as soon as practicable after the determination.

**"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 or provider 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 or provider 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 10, 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;
- (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 required 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 the Issuer would be obliged to pay such Additional Amounts or (if applicable) is unable to make such deduction, 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) or (if applicable) is unable to make such deduction as described in this Condition 6(2)(c), (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 10, 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 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.

**"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 count towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity, 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 Regulation becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, 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 and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such laws, regulations, requirements, guidelines, rules 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), if the Issuer has first, in each case if and to the extent then required by the Loss Absorption Regulations, obtained any Relevant Supervisory Consent therefor.

For these purposes, as between the Issuer and the Bondholders, a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained the 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.

For the avoidance of doubt, with respect to the Issuer's right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), the above-mentioned requirement to obtain any Relevant Supervisory Consent will not apply where (x) so long as the Loss Absorption Regulations do not otherwise require, the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to be eligible to count towards the Issuer's and/or the Group's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity or (y) 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 the Loss Absorption Regulations within the limits prescribed in such permission.

**"Relevant Supervisory Consent"** means, in relation to any redemption or purchase of any Bonds, any permission of the Relevant UK Resolution Authority for such redemption or purchase that is required therefor 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 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, more generally, 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. As a result, the

Bondholders will not have the right to accelerate the Bonds or to institute proceedings for the winding-up of the Issuer solely due to the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority.

- (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 second paragraph of Condition 2, which will be governed by and construed in accordance with the laws of England and Wales, 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 (FIFTEENTH SERIES 2026)

*Below is the English translation of the Terms and Conditions of the Bonds (Fifteenth Series 2026). 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 – FIFTEENTH SERIES (2026) (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 ¥7,000,000,000.

The date of issuance of the Bonds is September 11, 2026 (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 4, 2026 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 12, 2026 (being the day immediately following the Issue Date), payable in Japanese yen semi-annually in arrear on March 11 and September 11 of each year, commencing on March 11, 2027 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 12, 2026 (being the day immediately following the Issue Date) 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 3.879% 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 1.10% 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 LSEG screen page "JPTSRTOA=RFTB Q" (or a successor page) (the "**LSEG Screen Page**") at or around 10:30 a.m., Tokyo time, as provided by FTSE International Limited as the administrator of the benchmark (or a successor administrator) ("**FTSE International**"); 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 FTSE International 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 LSEG 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 or provider 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 or provider that will continue to provide TONA; or

- (iii) a public statement or publication of information by or on behalf of FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 FTSE International 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, 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 FTSE International 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 FTSE International 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 or provider 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 FTSE International, the Bank of Japan, an insolvency official with jurisdiction over

FTSE International, a resolution authority with jurisdiction over FTSE International or a court or an entity with similar insolvency or resolution authority over FTSE International, which states that FTSE International 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 or provider 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 event that this Condition 5(3)(e) applies, the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, 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 eligibility of the Bonds to count towards the minimum requirements for own funds and eligible liabilities or loss absorbing capacity of the Issuer and/or the Group (as defined in Condition 6(4)) for the purposes of the Loss Absorption Regulations (as defined in 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 LSEG Screen Page.

The Issuer will immediately deliver to the Fiscal Agent a certificate signed by a duly authorised signatory of the Issuer stating any such appointment, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds and confirming that the Replacement Rate Agent has made the relevant determinations in accordance with this Condition 5(3)(e).

Such certificate delivered by the Issuer to the Fiscal Agent pursuant to this Condition 5(3)(e) 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.

The Issuer shall give public notice of such appointment of the Replacement Rate Agent, the alternative for the JPY 1-year TONA Tokyo Swap Rate-10:00, the replacements, if any, of TONA and FTSE International, the Adjustment Spread and the changes to these Conditions of Bonds to the Bondholders as soon as practicable after the determination.

**"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 or provider 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 or provider 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 11, 2037 (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;
- (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 required 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 the Issuer would be obliged to pay such Additional Amounts or (if applicable) is unable to make such deduction, 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) or (if applicable) is unable to make such deduction as described in this Condition 6(2)(c), (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 11, 2036 (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 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.

**"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 count towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity, 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 Regulation becoming effective on or after the Issue Date; or
- (b) amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, 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 and policies from time to time relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity in effect in the United Kingdom and applicable to the Issuer from time to time (whether or not such laws, regulations, requirements, guidelines, rules 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), if the Issuer has first, in each case if and to the extent then required by the Loss Absorption Regulations, obtained any Relevant Supervisory Consent therefor.

For these purposes, as between the Issuer and the Bondholders, a certificate signed by a duly authorised signatory of the Issuer stating that it has obtained the 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.

For the avoidance of doubt, with respect to the Issuer's right to redeem or purchase the Bonds pursuant to Condition 6(2), (3), (4) or (5), the above-mentioned requirement to obtain any Relevant Supervisory Consent will not apply where (x) so long as the Loss Absorption Regulations do not otherwise require, the Bonds have (or will have on the date fixed for redemption or purchase) ceased fully to be eligible to count towards the Issuer's and/or the Group's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity or (y) 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 the Loss Absorption Regulations within the limits prescribed in such permission.

**"Relevant Supervisory Consent"** means, in relation to any redemption or purchase of any Bonds, any permission of the Relevant UK Resolution Authority for such redemption or purchase that is required therefor 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 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, more generally, 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. As a result, the

Bondholders will not have the right to accelerate the Bonds or to institute proceedings for the winding-up of the Issuer solely due to the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority.

- (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 second paragraph of Condition 2, which will be governed by and construed in accordance with the laws of England and Wales, 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 14 (*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 Issuer and their principal outside activities (if any) of significance to the Issuer are as follows:

| <i>Name</i>                                   | <i>Function(s) within the Issuer</i>                                                                                                                                                     | <i>Principal outside activities</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brendan Nelson                                | Group Chairman<br><br>Chair of the Chairman's Committee<br><br>Chair of the Nomination & Corporate Governance Committee                                                                  | Non-executive Chairman of BP Pension Trustees Ltd; Director of the Institute of International Finance; Member of the Hong Kong Europe Business Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Georges Elhedery                              | Group Chief Executive<br><br>Member of the Chairman's Committee<br><br>Chairman of the Group Operating Committee                                                                         | Principal Member of the Glasgow Financial Alliance for Net Zero; Member of the Advisory Board of the China Children Development Fund; Member of the Monetary Authority of Singapore, International Advisory Panel; Member of the Financial Services Task Force of the Sustainable Market Initiative; Member of the World Bank Private Sector Investment Lab; Member of the UK-India CEO Forum; Member of the Semafor World Economy Global Advisory Board; Director of Peterson Institute for International Economics; Member of the Asia Business Council; and Member of the International Business Leaders Advisory Council (Beijing IBLAC) |
| Manveen Kaur (known as Pam Kaur) <sup>1</sup> | Group Chief Financial Officer<br><br>Member of the Chairman's Committee<br><br>Member of the Group Operating Committee                                                                   | Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Geraldine Buckingham                          | Independent Non-executive Director<br><br>Member of the Chairman's Committee<br><br>Member of the Group Audit Committee<br><br>Member of the Nomination & Corporate Governance Committee | Independent non-executive Director of Brunswick Group Partnership Ltd; Independent non-executive Director of H.R.L. Morrison & Co Limited; Member of the Advisory Board of the McKinsey Health Institute                                                                                                                                                                                                                                                                                                                                                                                                                                     |

<sup>1</sup> As announced on 10 September 2026, Pam Kaur is expected to step down as Group Chief Financial Officer in 2027. Her official retirement date will be confirmed in due course but will be no later than the Issuer's 2027 Annual General Meeting.

| <i>Name</i>            | <i>Function(s) within the Issuer</i>                                                                                                                                                                                       | <i>Principal outside activities</i>                                                                                                                                                                           |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | Member of the Group Remuneration Committee                                                                                                                                                                                 |                                                                                                                                                                                                               |
| Rachel Duan            | Independent Non-executive Director<br>Member of the Chairman's Committee<br>Member of the Group Audit Committee<br>Member of the Group Remuneration Committee<br>Member of the Nomination & Corporate Governance Committee | Independent non-executive Director of Sanofi S.A.; Independent non-executive Director of The Adecco Group AG; Independent non-executive Director of Kering S.A.                                               |
| Dame Carolyn Fairbairn | Independent Non-executive Director<br>Chair of the Group Remuneration Committee<br>Member of the Group Risk Committee<br>Member of the Chairman's Committee<br>Member of the Nomination & Corporate Governance Committee   | Non-executive Chair of HSBC UK Bank plc; Senior Independent non-executive Director of Tesco plc; Member of the Advisory Council of Frontier Economics                                                         |
| James Anthony Forese   | Independent Non-executive Director<br>Member of the Chairman's Committee<br>Chair of the Group Risk Committee<br>Member of the Group Audit Committee<br>Member of the Nomination & Corporate Governance Committee          | Non-executive Chairman of HSBC North America Holdings Inc                                                                                                                                                     |
| Steven Guggenheimer    | Independent Non-executive Director<br>Member of the Chairman's Committee<br>Member of the Group Risk Committee                                                                                                             | Independent non-executive Director of Forrit Holdings Limited; Independent non-executive Director of Leupold & Stevens, Inc.; Independent non-executive Director of BT Group plc; Advisor to Quantexa Limited |

| <i>Name</i>                  | <i>Function(s) within the Issuer</i>                      | <i>Principal outside activities</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | Member of the Nomination & Corporate Governance Committee |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Technology and Operations Committee   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| José Antonio Meade Kuribreña | Independent Non-executive Director                        | Non-executive Chair of HSBC Latin America Holdings (UK) Limited; Non-executive Chair of Grupo Financiero HSBC, S. A. de C. V; Non-executive Chair of HSBC Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero HSBC; Independent non-executive Director of Grupo Comercial Chedraui S.A.B. de C.V.; Independent non-executive Director of Fibra Uno Administracion SA de CV; Independent non-executive Director of Nemak S.A.B. de C.V.; Member of the Advisory Board of the University of California, Centre for US-Mexican Studies |
|                              | Member of the Chairman's Committee                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Nomination & Corporate Governance Committee |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Remuneration Committee                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Richard Meddings             | Independent Non-executive Director                        | Chair of Breast Cancer Now; Chair of Birmingham Health Partners; Non-executive Chair of The Royal Anniversary Trust                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                              | Chair of the Group Audit Committee                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Chairman's Committee                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Risk Committee                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Nomination & Corporate Governance Committee |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Technology and Operations Committee   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Kalpana Morparia             | Independent Non-executive Director                        | Independent non-executive Director of Philip Morris International Inc.; Governing Board Member of Generation India Foundation; Governing Board Member of the Bharti Foundation; Advisor to Temasek International; Independent non-executive Director of The Great Eastern Shipping Company Limited; Independent non-executive Director of Curefit Healthcare Private Limited; Director of Magic Bus India Foundation                                                                                                                          |
|                              | Member of the Chairman's Committee                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Remuneration Committee                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Nomination & Corporate Governance Committee |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Member of the Group Technology and Operations Committee   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| <i>Name</i>          | <i>Function(s) within the Issuer</i>                                                                                                                                                                                                                                 | <i>Principal outside activities</i>                                                                                                                                                                                                                                |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eileen Murray        | Senior Independent Non-executive Director<br><br>Chair of the Group Technology and Operations Committee<br><br>Member of the Chairman's Committee<br><br>Member of the Group Remuneration Committee<br><br>Member of the Nomination & Corporate Governance Committee | Non-executive Chair of HSBC Bank plc; Non-executive Chair of Broadridge Financial Solutions, Inc.; Independent non-executive Director of Guardian Life Insurance Company of America; Chair of Invisible Urban Charging; Operating Partner of Liberty City Ventures |
| Swee Lian Teo        | Independent Non-executive Director<br><br>Member of the Chairman's Committee<br><br>Member of the Group Risk Committee<br><br>Member of the Nomination & Corporate Governance Committee<br><br>Member of the Group Technology and Operations Committee               | Chair of CapitaLand Integrated Commercial Trust Management Limited; Chair of Singapore Post Limited                                                                                                                                                                |
| Wei Sun Christianson | Independent Non-executive Director<br><br>Member of the Chairman's Committee<br><br>Member of the Group Risk Committee<br><br>Member of the Nomination & Corporate Governance Committee                                                                              | Independent Non-executive Director of LVMH Moët Hennessy Louis Vuitton SE; Member of Advisory Council to Bretton Woods Committee; Member of Advisory Board of Hospital for Special Surgery                                                                         |

The Board has an established policy and set of procedures to ensure that the Board's management of Directors' conflicts of interest is effective. The Board has the power to authorise conflicts where they arise, in accordance with the Companies Act 2006 and the Issuer's Articles of Association. Details of all Directors' conflicts of interest are recorded in the register of conflicts. Upon appointment, new Directors are advised of the policy and procedures for managing conflicts. Directors are required to notify the Board of any actual or potential conflicts of interest and to update the Board with any changes to the facts and circumstances surrounding such conflicts. Directors are requested to review and confirm their own and their respective closely associated persons' outside interests and appointments twice each year. The Board has considered, and authorised (with or without conditions) where appropriate, potential conflicts as they have arisen during the year in accordance with its conflicts policy and procedures. All non-executive Directors are re-vetted by the compliance team on a triennial basis following appointment. As part of this re-vetting process, all conflicts checks are refreshed. There are no existing or potential conflicts of interest that are material in relation to the Bonds between any duties owed to the Issuer by the directors of the Issuer and their private interests and/or other external duties.

### **Group Company Secretary**

All Directors have access to the advice and services of the Group Company Secretary, 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.

The Group Company Secretary is responsible for supporting the Group Chairman in ensuring effective functioning of the Board and its committees, and transparent engagement between senior management and non-executive Directors as well as facilitating induction and assisting with professional development of non-executive Directors as required. The details of the Group Company Secretary 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> |
|----------------|-------------------------------------|-------------------------------------|
| Angela McEntee | Group Company Secretary             | None                                |

## 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 His 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" operated by a regulated stock exchange (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.

The Irish 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 relevant rate (currently at the basic rate of 20 per cent., and on and after 6 April 2027 at the savings basic rate of 22 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) 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 (at the relevant rate), 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.
- (4) The above summary under the heading of United Kingdom Taxation assumes that there will be no substitution, consolidation, amalgamation or merger of the Issuer and does not consider the tax consequences of any such substitution, consolidation, amalgamation or merger.

## CERTAIN OTHER TAXATION MATTERS

### *Withholding of U.S. tax on account of FATCA*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA ("FATCA"), a "foreign financial institution" (including an intermediary through which Bonds are held) 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 the second anniversary of the date on which U.S. Treasury Regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register 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). Investors 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" below or elsewhere in these Listing Particulars have the same meanings in this section.*

HSBC Securities (Japan) Co., Ltd. and the other managers named therein (together, the "**Joint Lead Managers**"), in subscription agreements dated 4 September 2026 (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 12 February 2026.
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, a copy of the following documents may be inspected during normal business hours at the registered office of the Issuer or (where a website link is provided) at the website set out by each relevant document listed below:
  - (a) the up to date memorandum and articles of the Issuer (website: [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Shareholder and dividend information' and 'AGM and shareholder meetings'));
  - (b) the Fiscal Agency Agreement; and
  - (c) the 2025 Form 20-F, the 2024 Annual Report and Accounts, the 2025 Annual Report and Accounts, the Q1 2026 Earnings Release and the Unaudited Consolidated Interim Report (website: [www.hsbc.com](http://www.hsbc.com) (please follow links to 'Investors', 'Results and announcements', 'All reporting' and 'Group'))).
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 2025 Annual Report and Accounts and the 2024 Annual Report and Accounts for the financial years ended 31 December 2025 and 2024.
6. There has been no material adverse change in the prospects of the Issuer since 31 December 2025.
7. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 30 June 2026.
8. Save as disclosed in Note 28 (*Provisions*) and in Note 35 (*Legal proceedings and regulatory matters*) on pages 332 to 333 and on pages 343 to 345 respectively, of the 2025 Annual Report and Accounts and Note 11 (*Provisions*) and Note 13 (*Legal proceedings and regulatory matters*) on page 99 and on pages 99 to 102 respectively 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 months prior to 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 Group.
9. The Bonds have been accepted for clearance through the facilities of JASDEC. For the Thirteenth Series Bonds, the ISIN is JP582666AS99; for the Fourteenth Series Bonds, the ISIN is JP582666BS98; and for the Fifteenth Series Bonds, the ISIN is JP582666CS97.
10. The Legal Entity Identifier (LEI) code of the Issuer is MLU0ZO3ML4LN2LL2TL39.

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