

HSBC HOLDINGS PLC

AND

OTHERS

SUBSCRIPTION AGREEMENT
IN RESPECT OF CNH ~~£2,750,000,000,000~~
~~£3.50~~40 PER CENT. NOTES DUE 2027
ISSUED UNDER THE
DEBT ISSUANCE PROGRAMME

THIS AGREEMENT is made on ~~18~~ 18 June 2021

BETWEEN:

- (1) **HSBC Holdings plc** (the "**Issuer**");
- (2) **HSBC Bank (Taiwan) Limited** as lead manager (the "**Lead Manager**"); and
- (3) **KGI Securities Co. Ltd.** ~~as co-manager~~ and **President Securities Corporation** as ~~co-managers~~ (together with the Lead Manager, the "**Managers**").

WHEREAS:

- (A) The Issuer has established a debt issuance programme, in connection with which it has entered into a dealer agreement dated 28 June 2000 as last modified and restated by a modified and restated dealer agreement dated 30 March 2021 (the "**Dealer Agreement**", which expression shall include any amendments or supplements thereto or restatements thereof) and made between the Issuer and certain other institutions named therein.
- (B) In connection with the Programme the Issuer has entered into an agency agreement dated 28 June 2000 as last modified and restated on 30 March 2021 (the "**Agency Agreement**", which expression shall include any amendments or supplements thereto or restatements thereof) and made between the Issuer and certain other agents.
- (C) The Issuer has also entered into a trust deed dated 28 June 2000 as last modified and restated on 30 March 2021 (the "**Trust Deed**", which expression shall include any amendments or supplements thereto or restatements thereof) with The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression includes any trustee or trustees from time to time appointed under the Trust Deed).
- (D) Pursuant to the Dealer Agreement, the Issuer is entitled to issue Notes (as defined in the Dealer Agreement) under the Programme to institutions who become Dealers in relation to a particular Tranche of Notes only. Each of the Managers is a Dealer only in relation to the Notes (as defined below).
- (E) The Issuer proposes to issue CNH ~~12,750,000,000,000~~ 12,750,000,000 ~~3.50~~ 4.00 per cent. Notes due 2027 (the "**Notes**") and the Managers wish to subscribe for such Notes all in accordance with the provisions of the Dealer Agreement, the Agency Agreement, the Trust Deed and this Agreement.
- (F) Application will be made by the Issuer to the Taipei Exchange ("**TPEX**") in the Republic of China (the "**ROC**") for the listing and trading of the Notes on the TPEX. Application will also be made by the Issuer for the Notes to be listed on the Official List of the UK Financial Conduct Authority and traded on the Main Market of the London Stock Exchange with effect from the Issue Date (as defined below).
- (G) The pricing date of the Notes was ~~11~~ 11 June 2021.

IT IS HEREBY AGREED as follows:

1. Definitions

All words and expressions defined in the Dealer Agreement shall, where the context so requires and admits, have the same meanings in this Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and the Dealer Agreement, the provisions of this Agreement shall apply. Each of the Managers hereby acknowledges receipt of a copy of the Dealer Agreement and the Base Prospectus.

For the purposes of this Agreement:

"Allocation" means:⁺

- (a) in relation to the Lead Manager, CNH ~~{•}~~; and 2,360,000,000;
- (b) in relation to KGI Securities Co. Ltd., CNH ~~{•}~~; 275,000,000; and
- (c) in relation to President Securities Corporation, CNH 115,000,000.

"Issue Date" means ~~{•}~~ 29 June 2021 or such other date as shall be agreed by the Issuer and the Lead Manager acting on behalf of the Managers.

"Issue Price" means ~~{100}~~ per cent. of the aggregate principal amount of the Notes plus (if the Issue Date is postponed pursuant to Clause 10 (*Event of Default*)) any accrued interest in respect thereof.

"Professional Institutional Investors" means investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC which includes (as of the date of this Agreement): (i) overseas or domestic banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3, Article 2 of the Financial Supervisory Commission Organization Act of the ROC, (ii) overseas or domestic fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the Securities Investment Trust and Consulting Act, the Future Trading Act or the Trust Enterprise Act, each of the ROC, or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognised by the Financial Supervisory Commission of the ROC.

"ROC" means the Republic of China.

⁺~~Issuer to confirm.~~

2. Subscription of the Notes²

- (a) The Issuer hereby agrees to issue the Notes in accordance with the provisions of this Agreement, the Dealer Agreement, the Trust Deed, the Agency Agreement and the Programme.
- (b) Each of the Managers severally (and not jointly) agrees with the Issuer:
 - (i) to offer and sell, on a best efforts basis, to Professional Institutional Investors (as further described below) in accordance with relevant securities laws and regulations in Taiwan) and subscribe for an aggregate amount of Notes up to the amount of its Allocation; and
 - (ii) to purchase, on a firm commitment basis, on the Issue Date, an aggregate amount of the Notes equal to the sum of:
 - (A) the aggregate amount of Notes sold by it, pursuant to Clause 2(b)(i) above (the "**Sold Amount**"); and
 - (B) any shortfall in the Sold Amount as compared with its Allocation,by payment of the Issue Price against delivery of the Notes, duly executed on behalf of the Issuer in the manner contemplated by the Agency Agreement and the Trust Deed, in the form agreed between the Issuer and the Lead Manager (on behalf of the Managers).
- (c) The Issuer shall pay, on the Issue Date, a fixed management, underwriting and distribution fee of:
 - (i) CNH ~~1,786,000.~~ to the Lead Manager; ~~and~~
 - (ii) CNH ~~1,275,000.~~ to KGI Securities Co. Ltd.; ~~and~~
 - (iii) CNH 115,000, to President Securities Corporation.
- (d) Such commission shall be deducted from the Issue Price. Each Manager represents and agrees that the commission payable to the Managers may not be repaid or refunded by the Managers by any means or in any form to the Issuer or its related parties or their designated persons.
- (d) Each Manager and the Issuer shall bear their own costs and expenses in connection with the execution or enforcement of this Agreement or otherwise in relation to it. The Issuer shall be responsible for the Issuer's external legal counsel costs and costs in connection with the application for the listing and trading of the Notes on the TPEX and for the Notes to be admitted to listing on the Official List of the UK Financial Conduct Authority and to be admitted to trading on the Regulated Market of the London Stock Exchange. Each Manager shall pay any stamp duties which are payable under the laws of the ROC in

² Issuer to confirm this clause accurately reflects the commercial agreement as to subscription basis, fees and expenses.

connection with the execution and delivery of this Agreement if this Agreement is executed in the ROC.

- (e) The Issuer confirms that it has approved the final terms (the "**Final Terms**") dated ~~[-]~~18 June 2021 in connection with the issue of the Notes and the TPEx listing wrapper dated ~~[-]~~18 June 2021 in connection with the issue of the Notes (the "**TPEx Listing Wrapper**") and authorises the Managers to distribute copies of the Base Prospectus, the Final Terms and the TPEx Listing Wrapper in connection with the offering and sale of the Notes to potential Professional Institutional Investors by email or physical delivery. The Managers hereby undertake to deliver the foregoing documents to potential Professional Institutional Investors in sufficient copies on or before the Issue Date.

3. Agreement Among Managers

~~3.~~ The Managers agree as between themselves that they will be bound by and will comply with the International Capital Market Association Standard Form Agreement Among Managers version 1 (the "**Agreement Among Managers**") as amended hereinafter and further agree that references in the Agreement Among Managers to the "Lead Manager", the "Joint Bookrunners" and the "Managers" shall mean the Managers, references in the Agreement Among Managers to the "Settlement Lead Manager" shall mean the Lead Manager (as defined in this Agreement). The Managers agree as between themselves to amend the Agreement Among Managers as follows:

- (a) In Clause 1, the phrase "as agent of the issuer" shall be deemed to be deleted;
- (b) in Clause 3, the term "Lead Manager" shall be deemed to refer to the Settlement Lead Manager;
- (c) the following sentence shall be deemed to be added to the end of Clause 3(2):

"In addition, any profits incurred by the Settlement Lead Manager as a result of any action taken pursuant to this Clause shall be shared among the non-defaulting Managers (including the Settlement Lead Manager) in proportion to their Commitments or on such other basis as the Settlement Lead Manager considers, in its absolute discretion, to be fair.";

- (d) Clause 6 shall be deemed to be deleted in its entirety;
- (e) Clause 7 shall be deemed to be deleted in its entirety and replaced with the following:

"The Managers agree that any fees and expenses that are the joint responsibility of the Managers and payable by the Managers, and any out-of-pocket expenses that are the joint responsibility of the Managers and reimbursable but not reimbursed by the Issuer, shall be aggregated and allocated among the Managers pro rata to their respective Commitments and each Manager authorises the Settlement Lead Manager to charge or credit each Manager's account for its proportional share of such fees and expenses."

- (f) Clause 8 shall be deemed to be deleted in its entirety; and

- (g) The definition of "Commitments" shall be deleted in its entirety and replaced with the following:

"**Commitments**" means, (i) for the purposes of Clauses 3, 7 and 10, the fee allocation proportion paid or to be paid to each of the Managers under the Subscription Agreement and any related fee letters or, if such fee allocation is not known at the relevant time, the amounts severally underwritten by the Managers as set out in the Subscription Agreement, and (ii) for the purposes of all other clauses of this agreement, the amounts severally underwritten by the Managers as set out in the Subscription Agreement.

4. **Appointment of Lead Manager as TPEX Filing Agent**

The Issuer hereby appoints the Lead Manager to act as filing agent ("**Filing Agent**") with respect to the application for listing and trading on TPEX and to perform the following obligations for the Issuer with respect to the Notes:

- (a) preparing the relevant documents as required by the Central Bank of the Republic of China (Taiwan) (the "**CBC**") and the TPEX and reporting to the CBC (with copies to TPEX) or making other regulatory filings, if any, in connection with the offer and issue of the Notes; and
- (b) preparing the relevant documents and filing the listing application with the TPEX for the listing and trading of the Notes on the TPEX.

For the avoidance of doubt, paragraph 11 (*General*) in Schedule 1 (*Selling Restrictions and Legal and Regulatory Requirements*) of the Dealer Agreement shall be deemed amended in respect of the Notes only in respect of the above obligations and the offer of the Notes to Professional Institutional Investors as set out in this Agreement.

5. **Appointment of Co-Manager as Liquidity Provider**

The Issuer hereby appoints [KGI Securities Co. Ltd.]³ as its securities firm for providing quotations and liquidity services in respect of the Notes in accordance with Article 24-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the "**TPEX Rules**") and [KGI Securities Co. Ltd.] hereby (i) accepts such appointment; (ii) represents and undertakes that it has obtained or will, before the Issue Date, obtain all licences, consents, approvals, authorisations, orders and clearances of all regulatory authorities required for it to provide such services; and (iii) agrees to provide the quotations and act as a liquidity provider for the Issuer in respect of the Notes (the "**Liquidity Provider**") in accordance with the TPEX Rules and relevant regulations so long as the Notes are listed on the TPEX.

6. **Dealer Agreement**

The Notes are issued under the Programme and accordingly are Notes as defined in and for the purposes of the Dealer Agreement, the Trust Deed and the Agency Agreement.

³ Issuer to confirm

For the purposes of the Dealer Agreement, this Agreement is an Issue Agreement and the Lead Manager is the Relevant Dealer.

7. Additional Representations and Warranties and Undertakings

- (a) The Issuer hereby repeats the representations set out in clause 4.1 of the Dealer Agreement as at (and with reference to the facts and circumstances subsisting on) the date of this Agreement.
- (b) Each Manager represents, warrants and undertakes as at (and with reference to the facts and circumstances subsisting on) the date of this Agreement, which representations and warranties and undertakings shall be deemed to be repeated on each date falling after the date of this Agreement until the completion of distribution of the Notes (and with reference to the facts and circumstances subsisting on each such date) that:
 - (i) it has not violated and shall not violate any applicable anti-bribery laws and regulations;
 - (ii) its officers, directors and employees are subject to the policies and procedures of such Manager which are designed to prevent the occurrence of bribery and corrupt conduct; and it shall procure compliance with such policies and procedures by its officers, directors and employees;
 - (iii) it has not, and undertakes that it shall not, engage in the following conduct: making of payments or transfers of value, offers, promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of, any financial or other advantage, either directly or indirectly, having the purpose, effect or acceptance of, or acquiescence in, public or commercial bribery or other unlawful or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity;
 - (iv) it has not offered, sold or re-sold, and will not offer, sell or re-sell, any Notes, directly or indirectly, to investors other than Professional Institutional Investors; and
 - (v) it has complied with and will comply with all applicable laws and regulations in connection with the offering, sale, distribution, subscription and underwriting of the Notes and the distribution of any materials in connection with the issuance and offering of the Notes.
- (c) The Lead Manager undertakes that it will submit this Agreement to the Taiwan Securities Association ("TSA") for its review and approval of recordation as soon as this Agreement is executed but no later than four (4) business days prior to the Issue Date.

8. Conditions Precedent

In accordance with the provisions of clause 2.8 of the Dealer Agreement, the Issuer hereby acknowledges that the Managers' obligations to subscribe and pay for the Notes

on the Issue Date are subject to the satisfaction of the conditions set out in such clause 2.8, ~~to be delivered on or before [•]⁴ 2021~~ as well as the ~~following~~ additional conditions set out below, in all cases to be satisfied and/or delivered on or before [25 June]⁵ 2021:

- (a) the TPEX granting its approval for the listing of the Notes on the TPEX or having agreed to list the Notes on the Issue Date, subject only to the receipt of the confirmation of listing approval by the Issuer and the Managers;
- (b) the TSA granting its approval for this Agreement to be entered into its records;
- (c) a legal opinion in respect of the Notes dated the Issue Date addressed to the Managers from Clifford Chance LLP, legal advisers to the Issuer;
- (d) a legal opinion in respect of the Notes dated the Issue Date addressed to the Managers from Lee and Li, legal advisers to the Issuer;
- (e) confirmation of the credit ratings of the Notes; and
- (f) a closing certificate of the Issuer dated the Issue Date.

9. **New Dealers**

- (a) It is agreed that each of HSBC Bank (Taiwan) Limited ~~and~~ KGI Securities Co. Ltd. and President Securities Corporation (for the purposes of this Clause, each a "New Dealer") shall become a Dealer in respect of the Notes upon the terms, and subject to the limitations, set out in clause 8.1(c) of the Dealer Agreement with the rights and obligations of a Dealer as specified in such clause 8.1(c).
- (b) Each New Dealer confirms that it accepts its appointment as a Dealer in accordance with paragraph (a) above.

10. **Event of Default**

If any Manager (the "**Defaulting Manager**") defaults in its obligations to purchase the Notes (the "**Default Notes**") hereunder, the remaining Managers shall be entitled (but not obligated) to subscribe and pay for all of the Default Notes. If the remaining Managers do not subscribe and pay for all of the Default Notes on the Issue Date, the Issuer may (a) elect to terminate this Agreement without liability on the part of the Issuer, except as provided in this Clause; or (b) postpone the Issue Date for such period,

⁴ ~~Pre-closing date~~

⁵ All parties to confirm the pre-closing date.

not exceeding the maximum number of days as permitted under the applicable laws of the ROC. Nothing herein will relieve a Defaulting Manager from liability for its default.

11. Communications

Any notification hereunder to the Issuer and the Managers shall be made in accordance with the provisions of clause 7 of the Dealer Agreement, [and](#) in each case in writing ~~at the applicable details below~~ [to](#):

HSBC Holdings plc
8 Canada Square
London
E14 5HQ
United Kingdom

Email: Richard.boyns@hsbcib.com
Attention: Group Head of Capital Management

HSBC Bank (Taiwan) Limited
14 F, International Trade Building,
331 Keelung Road, Sec. 1
Taipei 110, Taiwan

Email: Stanley.j.c.wu@hsbc.com.tw
Attention: Debt Capital Markets

KGI Securities Co. Ltd.
9F, No. 700, Mingshui Road
Zhongshan District, Taipei City 10462
Taiwan

Fax No.: +886 2 7702 9837
E-mail: fi.dcm@kgi.com
Attention: Fixed Income Department

[President Securities Corporation](#)
[2F, No. 8, Dongxing Rd., Songshan District](#)
[Taiwan](#)

[Telephone no.: +886 2 2746 3856](#)
[Fax no.: +886 2 2746 3964](#)
[Email: ytsai@uni-psg.com](#)
[Attention: Justin Tsai](#)

12. Governing Law and Jurisdiction

This Agreement and all non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England. The provisions of clause 10 of the Dealer Agreement regarding jurisdiction shall be deemed to be incorporated by reference into this Agreement *mutatis mutandis*.

13. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

14. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of this Agreement under the Contracts (Rights of Third Parties) Act 1999.

AS WITNESS the hands of the duly authorised representatives of the parties the day and year first above written.

Draft Date: ~~10~~11 June 2021

The Issuer

HSBC HOLDINGS PLC

By:.....

The Lead Manager

HSBC BANK (TAIWAN) LIMITED

By:.....

The Co-Manager

KGI SECURITIES CO. LTD.

By:.....

The Co-Manager

PRESIDENT SECURITIES CORPORATION

By:.....