

Terms and Conditions

The issue of the HK\$1,000,000,000 non-cumulative subordinated perpetual capital securities (the **"Capital Securities"**) was authorised by resolutions of the Board of Directors (the **"Board"**) of DBS Bank (Hong Kong) Limited (the **"Issuer"**) passed on 1 August 2025. The Capital Securities are constituted by a capital securities instrument (as amended or supplemented from time to time, the **"Capital Securities Instrument"**) executed by the Issuer on 27 November 2025.

1 Form, Specified Denomination and Title

The Capital Securities are issued in the specified denomination of HK\$1,000,000.

The Capital Securities are represented by registered certificates (**"Certificates"**) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Capital Securities by the same holder.

Title to the Capital Securities shall pass by registration in the Issuer's Register of Securityholders (the **"Register"**) to be kept by the Issuer at its registered office or at a place in Hong Kong authorised by the Directors. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Capital Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, **"Securityholder"** and **"holder"** means the person in whose name a Capital Security is registered.

2 Transfers of Capital Securities

- (a) **Transfer:** A holding of Capital Securities may, subject to Condition 2(e), be Transferred in whole or in part upon the surrender (at the registered office of the Issuer) of the Certificate(s) representing such Capital Securities to be transferred, together with the form of transfer endorsed on such Certificate(s), duly completed and executed and any other evidence as the Issuer may reasonably require. In the case of a transfer of part only of a holding of Capital Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part Transferred and a further new Certificate in respect of the balance of the holding not Transferred shall be issued to the transferor. In the case of a Transfer of Capital Securities to a person who is already a holder of Capital Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (b) **Restrictions on Transfer:** Each Capital Security may only be Transferred with the prior consent of the Issuer (such consent not to be unreasonably withheld) and at least seven business days' notice of such intended transfer shall be provided by the transferring Securityholder to the Issuer.

In this Condition 2:

"Transfer" means to sell, transfer or assign, in whole or in part or agree to do either of the foregoing and **"Transferred"** has a corresponding meaning.

- (c) **Partial Write-off in respect of Capital Securities:** In the case of a partial Write-off (as defined in Condition 6(a)) or cancellation, modification, conversion and/or change in form pursuant to Condition 6 of a holding of Capital Securities represented by a single Certificate, a new Certificate shall be issued to the holder in respect of the balance of the holding not Written-off or not subject to cancellation, modification, conversion and/or

change in form pursuant to Condition 6. New Certificates shall only be issued against surrender of the existing Certificates to the Issuer.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued upon a Transfer of Capital Securities will (following execution in manual or facsimile form by one authorised signatory of the Issuer), within seven business days (as defined below) of receipt by the Issuer of the duly completed form of transfer, be mailed by uninsured post at the risk of the holder entitled to the Capital Securities to the address specified in the form of transfer or as otherwise agreed between the Issuer and the holder.
- (e) **Transfer or Exercise Free of Charge:** Certificates, on transfer or exercise of an option, shall be issued and registered without charge by or on behalf of the Issuer, but only upon payment of any tax or other governmental charges that may be imposed in relation to it.
- (f) **Closed Periods:** No Securityholder may require the transfer of a Capital Security to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Capital Security, (ii) after any such Capital Security has been called for redemption; (iii) during the period of 15 days ending on (and including) any date on which payment is due; or (iv) during the period commencing on the date of a Non-viability Trigger Event Notice (as defined in Condition 6(a)) and ending on the effective date of the related Write-off .

3 Status

- (a) **Status:** The Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Securityholders are subordinated in the manner described in Condition 3(c).
- (b) **Qualification:** The Capital Securities are intended to qualify as Additional Tier 1 capital under the Capital Rules and as LAC debt instruments under the Loss Absorbing Capacity Rules (as defined below).
- (c) **Subordination:** Subject to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up (as defined below) of the Issuer, the rights of the Securityholders to payment of principal and any Distributions (as described under Condition 4) accrued but unpaid on the Capital Securities will rank (i) subordinate and junior in right of payment to, and of all claims of, (A) all unsubordinated creditors of the Issuer (including its depositors), (B) all creditors in respect of Tier 2 Capital Instruments of the Issuer, and (C) all other Subordinated Creditors of the Issuer whose claims are expressed to rank, by its terms or by operation of law, senior to the Capital Securities and/or Tier 2 Capital Instruments of the Issuer; (ii) *pari passu* in right of payment to and of all claims of all holders of the Parity Obligations of the Issuer; and (iii) senior in right of payment to and of all claims of all holders of the Junior Obligations of the Issuer, in each case, present and future.

In the event that a Non-viability Trigger Event occurs, the claims of the Securityholders against the Issuer in respect of the Capital Securities and any Distributions accrued but unpaid thereon shall be subject to Condition 6.

In these Conditions:

“Additional Tier 1 Capital Instruments” means any instrument, security or other obligation eligible for inclusion as Additional Tier 1 capital (or its equivalent) of the Issuer pursuant to the Capital Rules;

“Authorized Institution” has the meaning given to that term in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);

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

“Junior Obligation” means (i) any Share of the Issuer and (ii) any class of the Issuer’s share capital and any instrument, security or other obligation (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, junior to a Capital Security;

“Loss Absorbing Capacity Rules” means the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (Chapter 628B of the Laws of Hong Kong) or any other loss-absorbing capacity regulations, or any regulatory guidelines made by the Monetary Authority in relation thereto, in each case as amended, supplemented or replaced from time to time;

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

“Parity Obligation” means any instrument, security or other obligation issued or entered into or guaranteed by the Issuer that constitutes or qualifies as Additional Tier 1 capital (or its equivalent) under applicable Capital Rules or any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank, by its terms or by operation or law, *pari passu* with the Capital Securities;

“Shares” means the ordinary shares of the Issuer;

“Subordinated Creditors” means all creditors the indebtedness of which is subordinated, in the event of the Winding-Up of the Issuer, in right of payment to the claims of the depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or is expressed to rank by operation of law or contract *pari passu* with, or junior to, the claims of the Securityholders of the Capital Securities. For this purpose indebtedness shall include all liabilities, whether actual or contingent;

“Tier 2 Capital Instruments” means any instrument, security or other obligation eligible for inclusion as Tier 2 capital (or its equivalent) of the Issuer pursuant to the Capital Rules; and

“Winding-Up” means a final and effective order or resolution for the winding-up, bankruptcy, insolvency, liquidation or similar proceedings in respect of the Issuer.

- (d) **Set-off and Payment Void:** Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities. Each Securityholder shall, by acceptance of any Capital Security be deemed to have waived all such rights of set-off, counterclaim or retention to the fullest extent permitted by law. If, at any time, any Securityholder receives payment or benefit of any sum in respect of

the Capital Securities (including any benefit received pursuant to any such set-off, counter-claim or retention) other than in accordance with Condition 11, the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Securityholder, by acceptance of such Capital Security, shall agree as a separate and independent obligation that any such sum or benefit so received shall forthwith be paid or returned in full by such Securityholder to the Issuer upon demand by the Issuer or, in the event of the Winding-Up of the Issuer, the liquidator of the Issuer. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not been paid by the Issuer, and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under the Capital Securities.

4 Non-Cumulative Distribution

- (a) **Accrual of Distribution:** Subject to Condition 5, the Capital Securities confer a right to receive distributions (each a **"Distribution"**) from (and including) the Issue Date at the applicable Distribution Rate, payable annually in arrear on 27 November in each year (each a **"Distribution Payment Date"**). If any Distribution Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day. Unless otherwise provided in these Conditions, each Capital Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon surrender of the Certificate representing such Security, payment of principal is improperly withheld or refused. In such event, Distribution shall continue to accrue at such rate (both before and after judgment) until the day on which all sums due in respect of such Capital Security up to that day are received by or on behalf of the relevant Securityholder.

Distributions will not be cumulative and Distributions which are cancelled in accordance with these Conditions will not accumulate or compound and Securityholders will have no right to receive such Distributions at any time, even if subsequent Distributions are paid in the future, or be entitled to any claim in respect thereof against the Issuer, whether in a Winding-Up or otherwise.

- (b) **Rate of Distribution:** The rate of distribution (the **"Distribution Rate"**) applicable to the Capital Securities shall be:
- (i) in respect of the period from (and including) the Issue Date to (but excluding) 27 November 2030 (the **"First Reset Date"**), 4.13 per cent. per annum of the principal amount of the Capital Securities; and
 - (ii) in respect of the period from (and including) a Reset Date to (but excluding) the immediately following Reset Date, the Relevant Reset Distribution Rate of the principal amount of the Capital Securities.

For the purposes of these Conditions:

"business day" means a day other than a Saturday, a Sunday or a public holiday on which commercial banks are open for business in Singapore and Hong Kong;

"Hong Kong Business Day" means a day, other than a Saturday, a Sunday or public holiday on which commercial banks and foreign exchange markets are open for business in Hong Kong;

"Initial Spread" means 1.32 per cent.;

“Relevant Reset Distribution Rate” means a fixed rate per annum equal to the HK Dollar Swap Rate with respect to the relevant Reset Date plus the Initial Spread;

“Reset Date” means the First Reset Date and each date falling every five years after the First Reset Date; and

“HK Dollar Swap Rate” means HKD-ISDA-Swap Rate-11:00, as defined in 2006 Definitions as published by the International Swap and Derivatives Association, Inc. where:

- (i) **“Designated Maturity”** means 5 years; and
- (ii) **“Reset Date”** means the relevant Reset Date (as set out in this Condition 4(b)).

(c) **Benchmark Discontinuation:**

- (i) If the Issuer or its designees determine on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace then-current Benchmark for all purposes relating to the Capital Securities in respect of all determinations on such date and for all determinations on all subsequent dates.
- (ii) Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable and notwithstanding anything to the contrary to these Conditions, shall become effective without consent from the holders of the Capital Securities or any other party.
- (iii) For the purposes of this Condition 4(c),
 - (a) **“Benchmark”** means, initially, the HK Dollar Swap Rate; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect the HK Dollar Swap Rate, then **“Benchmark”** means the applicable Benchmark Replacement;
 - (b) **“Benchmark Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):
 - (I) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
 - (II) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark

(or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (III) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;
 - (c) **“Benchmark Replacement”** means the sum of (x) the ISDA Fallback Rate and (y) the ISDA Fallback Adjustment;
 - (d) **“Benchmark Replacement Date”** means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):
 - (I) In the case of sub-clauses (I) and (II) of the definition of **“Benchmark Event”**, the later of (x) the date of the public statement or publication of information referenced therein; and (y) the date on which the administrator of the Benchmark permanent or indefinitely ceases to provide the Benchmark (or such component); or
 - (II) In the case of sub-clause (III) of the definition of **“Benchmark Event”**, the date of the public statement or publication of information referenced therein.
 - (e) **“designee”** means a designee as selected and separately appointed by the Issuer in writing;
 - (f) **“ISDA Fallback Adjustment”** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;
 - (g) **“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the 2006 Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment; and
 - (h) **“Reference Time”** with respect to any determination of the Benchmark means the time determined by the Issuer or its designee.
- (d) **Calculation of Distribution:** The Issuer will, on the second business day prior to each Reset Date, calculate the applicable Relevant Reset Distribution Rate payable in

respect of each Capital Security. Distribution in respect of any Capital Security shall be calculated per HK\$1,000,000 in principal amount of the Capital Securities (the “**Calculation Amount**”). The amount of Distribution payable per Calculation Amount for any period shall be equal to the product of the Distribution Rate specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The day-count fraction to be used will be the actual number of days in the relevant period divided by 365.

5 Distribution Restrictions

- (a) **Distribution Cancellation:** The Issuer may, at its sole discretion, elect to cancel any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (such notice, a “**Distribution Cancellation Notice**”) of such election to the Securityholders in accordance with Condition 15 at least 10 business days prior to the relevant Distribution Payment Date. The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if it validly elects not to do so in accordance with this Condition 5(a) and any failure to pay such Distribution shall not constitute a Default.
- (b) **Mandatory Distribution Cancellation Event:** Notwithstanding that a Distribution Cancellation Notice has not been given, the Issuer will not be obliged to pay, and will not pay, all or part of, as the case may be, the Distribution on the applicable Distribution Payment Date, if and to the extent that:
 - (i) the Distribution scheduled to be paid together with any dividends, distributions or other payments scheduled to be paid or made during the Issuer’s then current fiscal year on any Parity Obligations or any instruments which effectively rank *pari passu* with any Parity Obligations shall exceed Distributable Reserves as at the relevant Distributable Reserves Determination Date; or
 - (ii) the Monetary Authority so directs the Issuer to cancel such Distribution (in whole or in part) or applicable Hong Kong banking regulations or other requirements of the Monetary Authority prevent the payment in full of dividends or other distributions when due on Parity Obligations.

The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if such non-payment is in accordance with this Condition 5(b) and any failure to pay such Distribution shall not constitute a Default.

For the purpose of these Conditions:

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or replaced from time to time;

“**Distributable Reserves**” means, at any time, the amounts for the time being available to the Issuer for distribution as a distribution in compliance with Section 297 of the Companies Ordinance as at the date of the Issuer’s latest audited financial statements (which shall include, without limitation, net profits, retained earnings from prior years and reserves which may be distributed to shareholders of the Issuer, as subject to the Capital Rules) (the “**Available Amounts**”); provided that if the Board reasonably believes that the Available Amounts as at any Distributable Reserves Determination Date will be:

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

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

"**Distributable Reserves Determination Date**" means, with respect to any Distribution Payment Date, the day falling five business days prior to that Distribution Payment Date.

- (c) **Distributable Reserves:** Any Distribution may only be paid out of Distributable Reserves.
- (d) **Distribution Stopper:** If, on any Distribution Payment Date, payment of Distributions scheduled to be made on such date is not made by reason of this Condition 5, the Issuer shall not:
 - (i) declare or pay in cash any distribution or dividend or make any other payment in cash on, and will procure that no distribution or dividend in cash or other payment in cash is made on, or any Shares; and
 - (ii) purchase, cancel or otherwise acquire any Shares or permit any of its subsidiaries to do so,

in each case, until the earlier of (I) the next scheduled Distribution has been paid in full (or an amount equivalent to the next scheduled Distribution has been paid, or irrevocably set aside in a separately designated trust account for payment to the Securityholders); (II) a redemption of all the outstanding Capital Securities has occurred; (III) the outstanding Capital Securities have been Written-off in their entirety; or (IV) the Issuer is permitted to do so by an Extraordinary Resolution.

- (e) **No default:** Notwithstanding any other provision in these Conditions, the cancellation or non-payment of any Distribution (in whole or in part) in accordance with this Condition 5 shall not constitute a Default for any purpose (including, without limitation, pursuant to Condition 11) on the part of the Issuer.

6 Non-Viability Loss Absorption and Hong Kong Resolution Authority Power

- (a) **Write-off on a Non-Viability Trigger Event**
 - (i) If a Non-viability Trigger Event occurs and is continuing, the Issuer shall, upon or prior to the delivery of a Non-viability Trigger Event Notice to the Securityholders, irrevocably and without the need for the consent of the Securityholders, reduce the then outstanding principal amount and cancel any accrued but unpaid Distribution of each Capital Security (in whole or in part) by an amount equal to the Non-viability Trigger Event Write-off Amount per Capital Security (such reduction and cancellation being referred herein as a "**Write-off**", and "**Written-off**" shall be construed accordingly). Once any

principal amount or accrued but unpaid Distribution under a Capital Security has been Written-off, it will be extinguished and will not be restored in any circumstances, including where the relevant Non-viability Trigger Event ceases to exist. No Securityholder may exercise, claim or plead any right to any Non-viability Trigger Event Write-off Amount. Any Write-off of the Capital Securities and any accrued but unpaid interest thereon that is duly effected pursuant to a Non-viability Trigger Event in accordance with this Condition 6 shall not constitute a Default.

- (ii) Concurrently with the giving of a Non-viability Trigger Event Notice, unless otherwise directed by the Monetary Authority, the Issuer shall procure that a similar notice be given in respect of other loss absorbing regulatory capital instruments in accordance with their terms.
- (iii) Where only part of the principal or Distribution of the Capital Securities is to be Written-off, the Issuer shall use reasonable endeavours to conduct any Write-off such that the Write-off is conducted on a *pro rata* basis with all other Additional Tier 1 Capital Instruments of the Issuer, to the extent that such Additional Tier 1 Capital Instruments are capable of being converted or written-down under any applicable laws and/or their terms of issue under circumstances analogous in these Conditions.
- (iv) Upon any partial Write-off pursuant to this Clause 6, any reference in these Conditions in respect of the Capital Securities shall thereafter be construed as a reference to the principal amount of the Capital Securities as reduced by any applicable Non-viability Trigger Event Write-off Amount.

A write-off of any Common Equity Tier 1 Capital shall not be required before a Write-off of any Capital Securities can be effected in accordance with these Conditions.

- (v) The Capital Securities may be subject to one or more Write-offs in part (as the case may be), except where such Capital Securities have been Written-off in its entirety.

For the purposes of these Conditions:

“Non-viability Trigger Event” means the earlier of:

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

“Non-viability Trigger Event Notice” means the notice which shall be issued by the Issuer not more than two Hong Kong Business Days following the occurrence of a Non-viability Trigger Event to the Securityholders in accordance with Condition 15 and which shall state with reasonable detail the nature of the relevant Non-viability Trigger Event and specify the Non-viability Trigger Event Write-off Amount per Capital Security to be Written-off, details of each other Subordinated Capital Instrument on

the Write-off Effective Date to be written-off or converted into ordinary shares in accordance with its terms, and the Write-off Effective Date;

“Non-viability Trigger Event Write-off Amount” means the amount of accrued but unpaid Distribution and/or outstanding principal to be Written-off as the Monetary Authority may direct, or in the absence of such direction, as the Issuer shall (in consultation with the Monetary Authority) determine to be necessary to satisfy the Monetary Authority that a Non-viability Trigger Event will cease to continue. For the avoidance of doubt, (i) the full amount of the Capital Securities will be Written-off in full in the event that the amount Written-off is not sufficient for the Non-viability Trigger Event to cease to continue; and (ii) in the case of an event falling within paragraph (ii) of the definition of Non-viability Trigger Event, the Write-off will be effected in full before any public sector injection of capital or equivalent support;

“Subordinated Capital Instrument” means any Junior Obligation or Parity Obligation which contain provisions relating to a write-down or conversion into ordinary shares in respect of its outstanding principal amount on the occurrence, or as a result, of a Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied; and

“Write-off Effective Date” means the date that will be specified as such in the applicable Trigger Event Notice as directed or approved by the Monetary Authority.

(b) **Hong Kong Resolution Authority Power:**

- (i) Notwithstanding any other term of the Capital Securities, including without limitation Condition 6(a), or any other agreement or arrangement, each Securityholder shall be subject, and shall be deemed to agree, to be bound by and acknowledge that the Capital Securities are subject to being written off, cancelled, converted or modified, or to having the form changed, in the exercise of any Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:
 - (A) the reduction or cancellation of all or a part of the outstanding principal amount of, or accrued but unpaid Distributions on, the Capital Securities;
 - (B) the conversion of all or a part of the outstanding principal amount of, or accrued but unpaid Distributions on, the Capital Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Capital Securities; and
 - (C) the amendment or alteration of the maturity of the Capital Securities or amendment or alteration of the amount of Distributions payable on the Capital Securities, or the date on which the Distributions become payable, including by suspending payment for a temporary period, or any other amendment or alteration of these Conditions.
- (ii) With respect to (A), (B) and (C) above of Condition 6(b)(i), references to principal and Distributions shall include payments of principal and Distributions

that have become due and payable, but which have not been paid, prior to the exercise of any Hong Kong Resolution Authority Power. The rights of the Securityholders under the Capital Securities and these Conditions are subject to, and will be amended and varied, if necessary, solely to give effect to, the exercise of any Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority.

- (iii) No repayment of the principal amount of the Capital Securities or payment of accrued but unpaid Distributions on the Capital Securities shall become due and payable or be paid after the exercise of any Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority with respect to the Capital Securities unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer.
- (iv) Upon the exercise of any Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority with respect to the Capital Securities, the Issuer shall provide a written notice not more than two Hong Kong Business Days after the occurrence of such exercise of the Hong Kong Resolution Authority Power to the Securityholders in accordance with Condition 15.
- (v) Neither the reduction or cancellation, in part or in full, of the outstanding principal amount of, or accrued but unpaid Distributions on the Capital Securities, the conversion thereof into another security or obligation of the Issuer or another person, or any other amendment or alteration of these Conditions or any other modification or change in form of the Capital Securities as a result of the exercise of any Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority with respect to the Issuer nor the exercise of the Hong Kong Resolution Authority Power by the Relevant Hong Kong Resolution Authority with respect to the Capital Securities shall constitute a Default under Condition 11.

For the purposes of these Conditions:

“Resolution Ordinance” means the Financial Institutions (Resolution) Ordinance (Chapter 628 of the Laws of Hong Kong), as amended, supplemented or replaced from time to time;

“Hong Kong Resolution Authority Power” means any power which may exist from time to time under the Resolution Ordinance or any other laws, regulations, rules or requirements relating to financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Issuer or other members of the Issuer Group (including, for the avoidance of doubt, powers under Part 4 and Part 5 of the Resolution Ordinance) or any other laws, regulations, rules or requirements relating thereto, as the same may be amended from time to time (whether pursuant to the Resolution Ordinance or otherwise), and pursuant to which obligations of a licensed bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified

and/or converted into shares or other securities or obligations of the obligor or any other person;

“Issuer Group” means the Issuer and its consolidated subsidiaries; and

“Relevant Hong Kong Resolution Authority” means any authority with the ability to exercise a Hong Kong Resolution Authority Power in relation to the Issuer from time to time.

7 Redemption and Purchase

- (a) **No Fixed Redemption Date:** The Capital Securities are perpetual securities in respect of which there is no fixed redemption date. The Capital Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.
- (b) **Redemption for Taxation Reasons:** Subject to Condition 7(e), the Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 but not more than 30 days’ notice to the Securityholders (which notice shall be irrevocable), at the Redemption Amount, if:
 - (i) the Issuer has or will become obliged to withhold or deduct for any Taxes (as defined in Condition 9) as required by law; or
 - (ii) payments of Distribution on the Capital Securities is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Hong Kong or any political subdivision or any authority thereof or therein having power to tax,

in each case, as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax or any change in the official application or interpretation of such laws or regulations, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the Capital Securities, and the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, *provided that*, where the Issuer has or will become obliged to pay any Taxes, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Taxes were a payment in respect of the Capital Securities then due.

For the purposes of these Conditions:

“Redemption Amount” means the outstanding principal amount of the Capital Securities, together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption.

- (c) **Redemption at the Option of the Issuer:** Subject to Condition 7(e), the Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on or after the First Reset Date, on giving not less than 15 but not more than 30 days’ notice to the Securityholders (which notice shall be irrevocable), at the Redemption Amount.
- (d) **Redemption for Regulatory Reasons :** Subject to Condition 7(e), the Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 but not more than 30 days’ notice to the Securityholders (which notice shall be irrevocable), at the Redemption Amount, if either a Capital

Disqualification Event or Loss Absorption Disqualification Event has occurred and is continuing.

For the purposes of these Conditions:

“Capital Disqualification Event” means the Capital Securities, after having qualified as such, will no longer qualify (in whole or in part) as Additional Tier 1 capital (or equivalent) of the Issuer pursuant to the Capital Rules as a result of any changes or amendments in (or any change in the application or official interpretation of) the relevant provisions of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong), the Capital Rules, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the Monetary Authority in relation thereto, in each case, as amended, supplemented or replaced from time to time (other than as a result of any discounting or amortisation requirements as to the eligibility of the Capital Securities for such inclusion pursuant to the relevant legislation and relevant guidelines in force from time to time), provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which it is determined that a Capital Disqualification Event will take effect; and

“Loss Absorption Disqualification Event” means if the Capital Securities, after having qualified as such, will no longer qualify (in whole or in part) as a LAC debt instrument (or equivalent) of the Issuer pursuant to the Loss Absorbing Capacity Rules, as a result of any change in or amendment to (or any change in the application or official interpretation of) the relevant provisions of the Loss Absorbing Capacity Rules, or any successor legislation or regulations made thereunder, or any regulatory guidelines issued by the Monetary Authority in relation thereto, in each case, as amended, supplemented or replaced from time to time (other than as a result of any discounting or amortisation requirements as to the eligibility of the Capital Securities for such inclusion pursuant to the relevant legislation and relevant guidelines in force from time to time).

- (e) **Redemption and Purchase Conditions:** Without prejudice to any provisions in this Condition 7, any redemption of Capital Securities by the Issuer or any purchase of Capital Securities by the Issuer or any affiliate of the Issuer over which the Issuer exercises control or significant influence (excluding any holding company of the Issuer) is subject to the Issuer obtaining the prior approval of the Monetary Authority.
- (f) **Purchase:** Subject to Condition 7(e), the Issuer and any of its subsidiaries may at any time purchase the Capital Securities in the open market or otherwise at any price in accordance with all relevant laws and regulations. The Issuer or any such subsidiary may, at its option, retain such purchased Capital Securities for its own account and/or resell or cancel or otherwise deal with them at its discretion. The Capital Securities so purchased, while held by or on behalf of the Issuer or any such subsidiary, shall not entitle the holder to vote at any meetings of the Securityholders or for the purposes of Condition 12.

8 Payments

- (a) **Method of Payment:**
 - (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the registered office of the Issuer if no further payment falls to be made in respect of the Capital Securities represented by such Certificates) in the manner provided in Condition 8(a)(ii) below.

- (ii) Distributions on each Capital Security shall be paid to the person shown on the Register at the close of business on the fifth business day before the due date for payment thereof (the “**Record Date**”). Payments of Distributions on each Capital Security shall be made in Hong Kong dollars by transfer to an account maintained by the payee with a bank, details of which having been informed to the Issuer.
- (b) **Payments subject to Fiscal Laws:** All payments in respect of the Capital Securities are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Securityholders in respect of such payments.
- (c) **Payment Initiation:** Payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated on the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the registered office of the Issuer, on a business day on which the relevant Certificate is surrendered.
- (d) **Delay in Payment:** Securityholders will not be entitled to any Distribution or other payment for any delay after the due date in receiving the amount due on a Capital Security if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (e) **Non-Business Days:** If any date for payment in respect of any Capital Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any Distribution or other sum in respect of such postponed payment.

9 Taxation

All payments of principal and Distributions by or on behalf of the Issuer in respect of the Capital Securities 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 within Hong Kong or any authority therein or thereof having power to tax (together, the “**Taxes**”), unless such withholding or deduction is required by law. In that event, the Issuer shall withhold or deduct such amount of Taxes as required by law from the amount payable to the Securityholders so that the amount payable received by the Securityholders shall be net of such Taxes and without the Issuer paying any additional amounts.

10 Prescription

Claims against the Issuer for payment in respect of the Capital Securities shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of Distribution) from the appropriate Relevant Date in respect of them.

As used in these Conditions, “**Relevant Date**” in respect of any Capital Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further presentation of the Capital Security (or relative Certificate) being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

11 Default

- (a) **Default:** Wherever used in these Conditions, “**Default**” means the failure to make payment of any amount of principal or Distributions in respect of the Capital Securities on the due date for payment thereof and such failure continues for a period of seven days or more in the case of repayment of any principal or 14 days or more in the payment of any Distribution. If a Default occurs in relation to the Capital Securities and is continuing, any Securityholder may institute proceedings for the Winding-Up of the Issuer.
- (b) **Winding-up:** If an order is made or an effective resolution is passed for the Winding-Up of the Issuer, the Capital Securities will become immediately due and payable, whereupon the then outstanding principal and any Distribution accrued but unpaid to the date of actual payment shall, subject to the provisions of Condition 3, become immediately due and payable, without further action or formality.
- (c) **Enforcement:** If a Default in respect of the payment of principal of or Distribution on the Capital Securities occurs and is continuing, the sole remedy available to any Securityholder shall be the right to institute Winding-Up Proceedings. If the Issuer shall default in the performance of any obligation contained in the Capital Securities or the Capital Securities Instrument other than a Default specified in Condition 11(a) above, the Securityholders shall be entitled to every right and remedy given hereunder or thereunder or now or hereafter existing at law or in equity or otherwise, provided, however, that the Securityholders shall have no right to enforce payment under or accelerate payment of any Capital Security except as provided in this Condition 11. If any court awards money damages or other restitution for any default with respect to the performance by the Issuer of its obligations contained in the Capital Securities or the Capital Securities Instrument, the payment of such money damages or other restitution shall be subject to Condition 3. The Securityholders shall have no right to enforce payment under or accelerate payment of any Capital Security in the case of such Default in payment on such Capital Security or a default in the performance of any other covenant of the Issuer in such Capital Security or the Capital Securities Instrument except as provided for in this Condition 11.

12 Modification and Waiver

The consent in writing of the Securityholders shall be required in order to give effect to any modification, variation, waiver or abrogation of the rights, preferences and privileges of the Capital Securities or Securityholders by way of amendment of the Conditions or the Capital Securities Instrument or otherwise.

Notwithstanding any other provision of these Conditions, no modification to any Condition or the Capital Securities Instrument that could impact the eligibility of the Capital Securities as Additional Tier 1 capital (or its equivalent) pursuant to the Capital Rules may be made without the approval of the Monetary Authority.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced by the Issuer, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further securities either having the same terms and conditions as the Capital Securities in all respects (or in all respects except for the first payment of Distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Capital Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Capital Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Capital Securities.

15 Notices

The Issuer shall give notice to Securityholders in accordance with this Condition 15 of any change in the registered office of the Issuer.

Every Securityholder shall register with the Issuer an address and an email to which notices can be sent and if any Securityholder shall fail to do so, notice may be given to such Securityholder by sending the same in the manner stated above to his last known place of business or email or, if there be none, by posting up the same for three days at the registered office of the Issuer.

Any notice given under these Conditions to a Securityholder shall be deemed received (if in writing) when delivered and (if by electronic communication) when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication, in each case in the manner required by this Condition 15; provided that any communication that is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the following business day in such place.

16 Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Capital Securities under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Capital Securities are governed by, and shall be construed in accordance with, Hong Kong law.
- (b) **Jurisdiction:** The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes arising out of or in connection with the Capital Securities and accordingly any legal action or proceedings arising out of or in connection with any Capital Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Securityholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).