

Please be advised that we have sent the below notice letter to applicable customers.

The Hongkong & Shanghai Banking Corporation Limited  
Chikako Nagahara  
Head of Markets & Securities Services

**Sharing of Information between HSBC Group companies in Japan received for  
Foreign Exchange, Derivatives, and/or Interbank Borrowing and Lending Businesses**

The relevant HSBC Group companies in Japan in this notice letter (the “**Letter**”) are the following two entities:

The Hongkong and Shanghai Banking Corporation Limited Tokyo and Osaka branches (the “**Bank**”); and HSBC Securities (Japan) Limited (the “**Securities Company**”); (the Bank and the Securities Company, “**HSBC Japan**”, “**we**”, “**our**” or “**us**”).

In order to satisfy our clients’ evolving global products and services needs and improve our value added global service proposition, HSBC Japan has decided to implement certain changes which are permissible under, and in compliance with, the Japanese firewall regulations. We believe that this will significantly improve our coverage and quality of services through a more streamlined and customer-centric operating model.

As part of our efforts to help provide a broader array of more sophisticated services to our clients, HSBC Japan has implemented various initiatives, including the implementation of “double-hatting” among employees of the Bank and the Securities Company who are engaged in our foreign exchange, derivatives, and/or interbank borrowing and lending businesses (the “**Target Businesses**”). In order to ensure seamless delivery of these services, it is essential that HSBC Japan not only maintains the soundness but also takes a group-wide integrated management approach, including the development, improvement and introduction of products and services as a group. Accordingly, HSBC Japan may, to the extent permitted by law, share certain non-public client information including transaction information and risk management information that pertains to our Target Businesses (such information, “**Specified Information**”, as more fully described in the “Scope of Information Shared” section below).

Such sharing of Specified Information, however, will only take place on a “need to know” basis among our employees as necessary to carry out our Target Businesses and with

regard to Specified Information of the head office and branches of the specific clients who have received this notice and their subsidiaries (the “**Target Clients**”). We will continue to pay utmost attention to protect the confidentiality of customer information in general and implement any means, as necessary, in the management of Specified Information, such as access restriction to prevent improper access to and use of Specified Information within HSBC Japan for any business other than our Target Businesses. Therefore, Specified Information will not necessarily be shared across HSBC Japan. If clients have separately entered into individual confidentiality agreements with us, the relevant confidential information will continue to be managed in accordance with the terms of such agreements.

If there exists an information sharing consent/agreement between a client and HSBC Japan (or any other HSBC entities elsewhere in the world) and any of the information subject to such consent/agreement is not the information related to the Target Businesses, such information will continuously be shared in accordance with such information sharing consent/agreement as before. On the other hand, if any of the information subject to an information sharing consent/agreement is the information related to the Target Businesses, this Letter shall have priority over such information sharing consent/agreement and we will share such information in accordance with this Letter. If you have any questions or comments, please feel free to contact your business representative of HSBC Japan.

Our Specified Information sharing procedures are as follows:

#### 1. Scope of Information to be Shared

Specified Information, which is any Non-Public Information pertaining to the Target Clients that relates to the Target Businesses (i.e., our foreign exchange or derivatives and/or interbank borrowing and lending businesses). “**Non-Public Information**” means any “non-public information” (*hikoukai jouhou*) as defined in Article 1, Paragraph 4, Item 12 of the Cabinet Office Ordinance on Financial Instruments Business, Etc.) such as contents of past transactions or contemplated transactions (including the information related to settlement and remittance) and timing of such transactions, as well as any other transaction information and risk management information, that is or will be in the possession of HSBC Japan.

#### 2 Method of Sharing of Specified Information

Specified Information will be shared orally, in writing, via e-mail, through access to a shared database or through any other permissible means of information sharing.

### 3 Procedures to Manage Specified Information

Specified Information received by HSBC Japan will be managed by the department(s) covering the Target Businesses of each entity, and will be isolated from other lines of business through access restriction and other means. We will implement any means as necessary in the management of Specified Information to prevent improper access to and use of it for or by any business other than the Target Businesses. Furthermore, with respect to the management of Non-Public Information including Specified Information that may not be shared under applicable regulations (such Non-Public Information, “**Non-Sharable Information**”), as a matter of principle, each double-hatted business representative must decide, in advance, in accordance with our internal policies and in consultation with our Compliance Department, the so-called “home-base entity” whereby such representative will be granted access to Non-Sharable Information of such entity and shall be precluded from accessing Non-Sharable Information of the other entity.

#### 4. Purposes for Specified Information Usage by Receiving Entity

So as to provide a broader array of more sophisticated services to the Target Clients, HSBC shall use Specified Information received from them for the following purposes in relation to the Target Businesses (the “Purposes”):

(1) To develop, propose and communicate various financial products and services

By applying the integrated resources of HSBC Japan, we hope to further develop, propose and communicate to the Target Clients such financial products and services that meet their needs.

(2) To offer financial products and services that are appropriate

We will use the transactional information to offer such financial products and services that are appropriate to the Target Clients.

(3) To provide enhanced client services based on integrated business management and controls within HSBC Japan

In order to continue to provide the services that we consider are more appropriate to the Target Clients, we will continue to build and develop robust business management and control structures.

#### 5. Procedures for Managing Specified Information Where the Target Clients Have Requested to Opt Out

In the event that you request either HSBC Japan entity to opt out and not to share its

Specified Information with the other entity, we will not share the Specified Information going forward unless it is permitted under applicable law. With respect to any Specified Information that has been shared among us and is stored in common-use databases and other information repositories, we will continue to use the information as far as such use is consistent with all applicable laws and regulations. In particular, we will take measures to prevent the sharing of such information with any “parent company etc.” (oya-houjin tou) or “subsidiaries etc.” (ko-houjin tou) (as such terms are defined in Article 31-4, Paragraphs 3 and 4 of the Financial Instrument and Exchange Act) of the Securities Company other than the Bank, either by restricting access to the common-use database or by moving the information to a dedicated database.

For the avoidance of doubt, the abovementioned procedures do not restrict each of HSBC Japan entities to share non-public information received directly from the client within such entity, as necessary. For example, if a department within HSBC Japan which engages in a foreign exchange, derivatives and/or interbank borrowing and lending businesses receives Non-Public Information directly from a client in the normal course of business, the particular HSBC Japan entity, which received it, may continue to share such information within it, to the extent necessary.

For the most recent information on services, products and organization of HSBC in Japan, please refer to “General Information” in our Japan web site below.

<http://www.about.hsbc.co.jp/hsbc-in-japan>

As stated above, we believe that these arrangements will allow us to improve services to clients, increase operational efficiency. We ask for your continued understanding and cooperation as we strive to provide you with an even higher level of services in Japan.

Any specific questions or comments regarding the sharing of client information can be directed to your HSBC business representative.