

OFFERING CIRCULAR

HITACHI CAPITAL CORPORATION

(incorporated with limited liability in Japan)

as Issuer and Guarantor

and

HITACHI CAPITAL (UK) PLC

(incorporated with limited liability in England and Wales)

as Issuer

and

HITACHI CAPITAL AMERICA CORP.

(incorporated with limited liability in the State of Delaware)

as Issuer

**U.S.\$5,500,000,000
Euro Note Programme**

Arranger

BNP PARIBAS

Programme Dealers

BNP PARIBAS

Daiwa Capital Markets Europe

HSBC

Mizuho Securities

MUFG

NatWest Markets

Nomura

SMBC Nikko

Standard Chartered Bank

17 December 2020

This Offering Circular replaces and supersedes the Offering Circular dated 2 October 2019 describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions contained herein. This does not affect any Notes already issued.

*Under this U.S.\$5,500,000,000 Euro Note Programme (the “**Programme**”), Hitachi Capital Corporation (“**HC**”, reference to which shall include any successor in business to HC), Hitachi Capital (UK) PLC (“**HCUK**”) and Hitachi Capital America Corp. (“**HCA**”) (each an “**Issuer**” and together the “**Issuers**”) may from time to time issue notes (“**Notes**”) denominated in any currency agreed between the Issuer of such Notes (the “**relevant Issuer**”) and the relevant Dealer (as defined below).*

*Payments under the Notes issued by HCUK and HCA will be unconditionally and irrevocably guaranteed by HC (in such capacity, which shall include any successor in business to HC, the “**Guarantor**”).*

The Notes may be issued on a continuing basis to one or more of the Programme Dealers specified under “*Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “*Risk Factors*”.

As at the date of this Offering Circular, HC has been assigned a rating of “A- (stable)” by S&P Global Ratings Japan Inc. (formerly, Standard & Poor’s Ratings Japan K.K.) (“**S&P Japan**”), a rating of “A+ (stable)” by Rating and Investment Information, Inc. (“**R&I**”), a rating of “#AA-/positive” by Japan Credit Rating Agency, Ltd. (“**JCR**”), a short-term rating of “A-2” by S&P Japan, a short-term rating of “a-1” by R&I and a short-term rating of “J-1+” by JCR. As at the date of this Offering Circular, neither HCUK nor HCA has been assigned a public rating by a rating agency.

HC’s unsecured, unsubordinated long-term debt securities have been assigned a rating of “A-” by S&P Japan. Outstanding Yen-denominated domestic debt issuances of HC have been rated “A+” and “#AA-/positive” by R&I and JCR, respectively. Nine particular Tranches of Notes issued by HCUK under the Programme have been rated “A-” by S&P Japan.

None of S&P Japan, R&I and JCR is established in the European Economic Area (the “**EEA**”) or the United Kingdom (the “**UK**”). JCR is certified under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “**CRA Regulation**”). S&P Japan is not registered under the CRA Regulation; however, ratings issued by S&P Japan are endorsed by S&P Global Ratings Europe Limited, which is established in the EEA and registered under the CRA Regulation. R&I is not registered under the CRA Regulation and its ratings are not endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation. Accordingly, the Issuers will not solicit any ratings for any Notes issued under the Programme, apart from Exempt Notes, from R&I.

The European Securities and Markets Authority (“**ESMA**”) is obliged to maintain on its website, <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list must be updated within five working days of ESMA’s adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK, but which is certified under the CRA Regulation.

A rating reflects only the views of the relevant rating agency, is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

This Offering Circular has been approved by the Financial Conduct Authority (the “**FCA**”) in its capacity as competent authority under Regulation (EU) 2017/1129, as amended or superseded (the “**Prospectus Regulation**”),

and constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation. The FCA only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered to be an endorsement of the Issuers or the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended (“**MiFID II**”) in the EEA or in the UK and/or offered to the public in the EEA or in the UK other than in circumstances where an exemption is available under Article 8 of the Prospectus Regulation. References in this Offering Circular to “**Exempt Notes**” are to Notes issued by HC or HCA for which no prospectus is required to be published under the Prospectus Regulation. The FCA has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes. HCUK will not issue any Exempt Notes.

Application has been made to the FCA for Notes issued under the Programme (other than Exempt Notes) during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the FCA (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Notes to be admitted to trading on the London Stock Exchange’s regulated market, which is a regulated market for the purposes of MiFID II.

References in this Offering Circular to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s regulated market and have been admitted to the Official List. The London Stock Exchange’s regulated market is a regulated market for the purposes of MiFID II.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and the terms of each Tranche of Notes will be set out in a final terms document (the “**Final Terms**”) or (in the case of Exempt Notes issued by HC or HCA) a pricing supplement (the “**Pricing Supplement**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms, Pricing Supplements and Drawdown Prospectuses*” below which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange and, in the case of a Drawdown Prospectus in respect of such Tranche of Notes, will be approved by the FCA. In the case of a Tranche of Notes which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise.

HCA will only issue Notes in registered form. HC and HCUK may issue Notes in bearer form or Notes in registered form.

Each Tranche of Notes in bearer form will either initially be represented by a Temporary Global Note (as defined in “*Form of Notes*”) or, if agreed between the relevant Issuer and the relevant Dealer, be represented by a Permanent Global Note (as defined in “*Form of Notes*”) which, in either case, will be deposited on the issue date thereof with a common depositary or common safekeeper, as the case may be, on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or any other agreed clearance system. A Temporary Global Note so issued will be exchangeable, as specified in the applicable Final Terms, for either a Permanent Global Note or definitive Bearer Notes (as defined in “*Form of the Notes*”), in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury Regulations and applicable U.S. securities laws. A Permanent Global Note will be exchangeable for definitive Bearer Notes, upon request or upon the occurrence of an Exchange Event, all as further described in “*Form of the Notes*”.

Each Tranche of Notes in registered form will initially be represented by a Global Registered Note (as defined in “*Form of the Notes*”) or, if so specified in the applicable Final Terms, definitive Registered Notes (as defined in “*Form of the Notes*”). A Global Registered Note will be exchangeable for definitive Registered Notes, upon request or upon the occurrence of an Exchange Event, all as further described in the “*Form of Notes*”. Notes in bearer form may not be exchanged for Notes in registered form and *vice versa*.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each Issuer and the Guarantor, the information contained in this Offering Circular is in accordance with the facts and the Offering Circular makes no omission likely to affect the import of such information.

Copies of Final Terms will be available for viewing and copies may be obtained from the registered office of the relevant Issuer and the specified office of the Principal Paying Agent (as defined herein) save that, if a Note is neither admitted to trading on a regulated market in the EEA or in the UK nor offered in the EEA or in the UK in

circumstances where a prospectus is required to be published under the Prospectus Regulation (including Exempt Notes), the applicable Final Terms will only be available to a Noteholder holding one or more such Notes upon such Noteholder producing evidence as to identity satisfactory to the Principal Paying Agent. Copies of each Final Terms relating to Notes offered to the public in a member state of the EEA (other than pursuant to one or more of the exemptions set out in Article 3(2) of the Prospectus Regulation) or admitted to trading on a regulated market in a member state of the EEA or in the UK will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. Such Final Terms will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The relevant Issuer and (if applicable) the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated in “*Terms and Conditions of the Notes*”, in which event a Drawdown Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of Exempt Notes, the relevant provisions relating to such Exempt Notes will be included in the applicable Pricing Supplement.

The Dealers have not independently verified all of the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information provided by any Issuer or the Guarantor. The Dealers do not accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by any Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by any Issuer or the Guarantor to give any information or to make any representation not contained in or inconsistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme (1) is intended to provide the basis of any credit or other evaluation or (2) should be considered as a recommendation by any Issuer, the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and the Guarantor and must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement or Drawdown Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either

alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning any Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Programme Dealers expressly do not undertake to review the financial condition or affairs of any Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recent consolidated financial statements of HCUK, the most recent consolidated financial statements of HCA and the most recent consolidated financial statements of HC when deciding whether or not to purchase any Notes.

Neither this Offering Circular nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of any Issuer, the Guarantor or any Dealer to any person to subscribe for or to purchase any Notes. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any relevant Dealer or any parent company or affiliate of such Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or the relevant parent company or affiliate of such Dealer on behalf of the relevant Issuer in such jurisdiction. The Issuers, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material relating to the Programme or Notes issued thereunder may be distributed or published in any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations. Each Dealer has represented or, as the case may be, will be required to represent that all offers and sales by it will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the EEA, the UK, the People's Republic of China, Hong Kong, Singapore, Japan and Taiwan (see "*Subscription and Sale*").

The Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantees may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act and Section 7701(a)(30) of the United States Internal Revenue Code of 1986, as amended) (see "*Subscription and Sale*").

This Offering Circular has been prepared on the basis that any offer of Notes in any member state of the EEA or in the UK will only be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**") and the Notes issued by (i) HC or (ii) HCUK or HCA, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by each such Issuer of the Notes through its permanent establishment in Japan as provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended) (the "**Special Taxation Measures Law**") are subject to tax laws and regulations of Japan including the Special Taxation Measures Law. The Notes may not be, directly or indirectly, offered or sold in Japan or (a) to, or for the benefit of, any person resident in Japan (including any corporation or other entity organised under the laws of Japan) except pursuant to an exemption from the registration

requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws and regulations (see “*Subscription and Sale*”). Interest payments on the Notes issued by (i) HC or (ii) HCUK or HCA, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by such Issuer of the Notes through its permanent establishment in Japan as provided for in the Special Taxation Measures Law, will be subject to Japanese withholding tax except for such interest paid to or to the account of a holder that is an individual non-resident of Japan or a non-Japanese corporation that in each case is a person not having a special relationship with the relevant Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law, or is a Japanese designated financial institution as described in Article 6, Paragraph 9 of the Special Taxation Measures Law. Interest payments in respect of the Notes by (i) HC or (ii) HCUK or HCA, in circumstances mentioned above, the amount of interest on which is calculated or determined on the basis of or by reference to certain indicators (including the amount of profit, income, earnings, revenue, assets and distribution of surplus, distribution of profit and other similar distributions) of the relevant Issuer or any person having such special relationship with the Issuer, is also subject to Japanese withholding tax (see “*Taxation*”).

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the “SFA”) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”)).

All references in this document to (i) “**USD**”, “**U.S. dollars**”, “**U.S.\$**” and “**U.S. cents**” are to the currency of the United States of America, (ii) “**EUR**”, “**euro**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, (iii) “**JPY**”, “**Yen**” and “**¥**” are to the currency of Japan, (iv) “**GBP**”, “**Sterling**” and “**£**” are to the currency of the United Kingdom, (v) “**Renminbi**”, “**RMB**” and “**CNH**” are to the currency of the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) (the “**PRC**”), (vi) “**Singapore dollars**”, “**\$S**” and “**SGD**” are to the currency of the Republic of Singapore, (vii) “**Canadian dollars**” and “**CAD**” are to the currency of Canada, (viii) “**NZD**” and “**New Zealand dollars**” are to the currency of New Zealand, (ix) “**AUD**” and “**Australian dollars**” are to the currency of the Commonwealth of Australia, (x) “**SEK**” and “**Swedish krona**” are to the currency of the Kingdom of Sweden, (xi) “**NOK**” and “**Norwegian krone**” are to the currency of the Kingdom of Norway and (xii) “**HKD**” and “**Hong Kong dollar**” are to the currency of Hong Kong Special Administrative Region of the PRC.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as stabilising manager (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

PRIIPs / IMPORTANT – EEA AND UK RETAIL INVESTORS

If the Pricing Supplement and/or Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement and/or Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance/Target Market” which will outline the target market assessment in respect of the Notes and which

channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the “**Benchmark Regulation**”). If any such reference rate does constitute such a benchmark, the Pricing Supplement and/or the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (register of administrators and benchmarks) of the Benchmark Regulation or the Benchmark Administrator Register or Third Country Benchmarks Register of the UK Benchmarks Register expected to be established and maintained by the FCA (which is expected to be made available on 11pm (London time) 31 December 2020). Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement and/or the Final Terms. The registration status of any administrator under the Benchmark Regulation or within the UK Benchmarks Register is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Pricing Supplement and/or the Final Terms to reflect any change in the registration status of the administrator.

Proposed Merger with Mitsubishi UFJ Lease & Finance Company Limited (“MUL”)

This Offering Circular includes information relating to the proposed merger of HC with MUL (the “**Merger**”) which is scheduled to be effective on 1 April 2021, subject to the approval of shareholders of each company at an extraordinary meeting of shareholders, which is expected to take place in February 2021, and to certain regulatory clearances and other approvals and consents. Following the Merger being effected, the combined company is expected to be named “Mitsubishi HC Capital Inc.”. For further information on the Merger, please refer to the Merger Notice (as defined in the section “*Documents Incorporated by Reference*” below), which is incorporated by reference into this Offering Circular.

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DESCRIPTION OF THE PROGRAMME

The following description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer and (if applicable) the Guarantor may agree with the relevant Dealer that Notes shall be issued in a form other than that contemplated in “Terms and Conditions of the Notes”, in which event a Drawdown Prospectus or new offering circular will be published or, in the case of Exempt Notes, the relevant provisions relating to such Exempt Notes will be included in the applicable Pricing Supplement. Words and expressions defined in “Form of the Notes”, specified in capitalised terms in “Form of the Final Terms” and “Form of the Pricing Supplement” and defined in “Terms and Conditions of the Notes” have the same meaning when used herein.

Issuers:	Hitachi Capital Corporation (LEI: 353800YUHF3P4VZ74A67), or any successor in business to Hitachi Capital Corporation Hitachi Capital (UK) PLC (LEI: 549300P4PHVCL0EZU771) Hitachi Capital America Corp. (LEI: SAG6K2J487EOB0C5BI47)
Guarantor of Notes Issued by HCUK and HCA:	Hitachi Capital Corporation, or any successor in business to Hitachi Capital Corporation
Description:	Euro Note Programme
Arranger:	BNP Paribas
Programme Dealers:	BNP Paribas Daiwa Capital Markets Europe Limited HSBC Bank plc Mizuho International plc MUFG Securities EMEA plc NatWest Markets Plc Nomura International plc SMBC Nikko Capital Markets Limited Standard Chartered Bank
Principal Paying Agent, Registrar, Paying Agent and Transfer Agent:	HSBC Bank plc
Programme Size:	Up to U.S.\$5,500,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any one time. The Issuers and the Guarantor may increase or decrease the amount of the Programme in accordance with the terms of the Dealer Agreement.
Legal and Regulatory Requirements:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (“FSMA”) unless they

are issued to a limited class of professional investors and have a denomination of at least £100,000 (or its equivalent in other Specified Currencies) (see “*Subscription and Sale*”).

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Euro, Sterling, U.S. dollars, Yen, Renminbi, Canadian dollars, New Zealand dollars, Australian dollars, Singapore dollars, Hong Kong dollars, Swedish krona, Norwegian krone and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.

Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*) applies to Renminbi Notes. Although the relevant Issuer’s and (if applicable) the Guarantor’s primary obligation is to make all payments in respect of such Notes in Renminbi, in the event that, by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or (if applicable) the Guarantor is not able to satisfy in full payments of principal or interest in respect of Renminbi Notes when due in Renminbi, the relevant Issuer or (if applicable) the Guarantor may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount, all as provided for in more detail in Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*).

Maturities:

Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Notes issued by HCA must have a minimum maturity of 184 days.

Issue Price:

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

HCA will only issue Notes in registered form. HC and HCUK may issue Notes in bearer form or Notes in registered form.

Notes issued in bearer form will on issue be represented by either a Temporary Global Note or a Permanent Global Note as specified in the applicable Final Terms. Each Temporary Global Note will be exchangeable either for (i) interests in a Permanent Global Note or (ii) for definitive Bearer Notes as indicated in the applicable Final Terms, in each case upon certification of non-U.S. beneficial ownership as required by U.S. Treasury Regulations and applicable U.S. securities laws. Each Permanent Global Note will be exchangeable (free of charge) for definitive Bearer Notes either upon (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (ii) the occurrence of an Exchange Event as described under “*Form of the Notes – Bearer Notes*”.

Notes issued in registered form will on issue be represented by either a Global Registered Note or definitive Registered Notes, in each case as specified in the applicable Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with, and registered in the name of, a depositary or a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable (free of charge) for

definitive Registered Notes either upon (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) to the Registrar as described therein or (ii) the occurrence of an Exchange Event as described under "*Form of the Notes – Registered Notes*".

Notes in bearer form may not be exchanged for Notes in registered form and *vice versa*.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes and indicated in the applicable Final Terms.

Benchmark Discontinuation:

In the event that a Benchmark Event occurs, such that any Rate of Interest (or any component part thereof) cannot be determined by reference to the Original Reference Rate specified in the applicable Final Terms, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or an Alternative Rate, together with any Adjustment Spread (which could be positive, negative or zero) and consequent Benchmark Amendments to the terms of such Series of Notes. See Condition 4(b)(iv) (*Benchmark Discontinuation*) for further information.

Other Provisions in Relation to Floating Rate Notes and Index Linked Notes:

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.

Index Linked Notes:

Notes may be Index Linked Notes, where the interest rate, early redemption and/or Index Linked Redemption Amount shall be determined depending on the level of an underlying index or indices. The return (if any) on Index Linked Notes is linked to the performance of the underlying index or indices and the investor in such Notes will be

exposed to the performance of, and the market in, such underlying index or indices.

Changes of Interest Basis:

Notes may be converted from one Interest Basis to another and any change of interest basis in respect of any Notes will be indicated in the applicable Final Terms, as will any Step Up Event or Step Down Event in relation to the Notes.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree and will be indicated in the applicable Final Terms.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The Final Terms relating to each Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified denominations, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or, as the case may be, the relevant Issuer on a date or dates specified prior to such stated maturity and at a price or prices as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes ("**Instalment Notes**") may be repayable in two or more instalments of such amounts and on such dates as indicated therein.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Legal and Regulatory Requirements – Notes having a maturity of less than one year*" above.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or other equivalent regulatory body) or any laws or regulations applicable to the relevant Specified Currency, see "*Legal and regulatory requirements – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or offered to the public in a member state of the EEA will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Where the applicable Final Terms specify that a Temporary Global Note or a Permanent Global Note is exchangeable for definitive Bearer Notes or a Global Registered Note is exchangeable for definitive Registered Notes on not less than 60 days' notice given at any time, Notes will be issued only in denominations which are a multiple of the minimum Specified Denomination.

Notes issued by HCA must at all times have a minimum denomination of €100,000 (or its equivalent in other Specified Currencies) and be in multiples of €100,000 thereafter.

Taxation:	All payments in respect of the Notes will be made without deduction for or on account of any withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 7), subject as provided in Condition 7. In the event that any such deduction is made, the relevant Issuer will or, as the case may be, the Guarantor may, save, in each case, in certain circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The Notes will contain a negative pledge provision given by the relevant Issuer and the Guarantor as described in Condition 3.
Cross Default:	The Notes will contain a cross-default provision relating to indebtedness for money borrowed of the relevant Issuer or (if applicable) the Guarantor as defined and further described in Condition 9.
Status of the Notes:	The Notes will constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the relevant Issuer and shall at all times rank <i>pari passu</i> and without preference among themselves and (with the exception of obligations in respect of applicable statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
Status of the Guarantees:	Payments in respect of the Notes issued by HCUK and HCA will be unconditionally and irrevocably guaranteed by the Guarantor under the Guarantees. The obligations of the Guarantor under the Guarantees will constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank <i>pari passu</i> and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
Rating:	<p>Tranches of Notes to be issued under the Programme may be rated or unrated. As at the date of this Offering Circular, Notes issued under the Programme are expected to be assigned a rating of “A-/A-2” by S&P Japan, which is not established in the EEA or in the UK or registered under the CRA Regulation; however, ratings issued by S&P Japan are endorsed by S&P Global Ratings Europe Limited, which is established in the EEA and registered under the CRA Regulation. The Issuers and the Guarantor cannot assure investors that such rating will not change in the future. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating(s) applicable to the Programme or any Notes already issued, will be specified in the applicable Final Terms.</p> <p>A rating reflects only the views of the relevant rating agency, is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Final Terms, Pricing Supplement or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Offering Circular and associated Final Terms or (in the case of Exempt Notes issued by HC or HCA) Pricing Supplement or (2) pursuant to a Drawdown Prospectus. The terms of any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the applicable Final Terms or as supplemented, amended and/or replaced to the extent described in the applicable Pricing Supplement or Drawdown Prospectus.

Listing and Admission to Trading:

Application has been made to the FCA for Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Exempt Notes may be unlisted and/or may be admitted to trading on a market or stock exchange (in circumstances where the provisions of the Prospectus Regulation do not apply).

Governing Law:

The Notes and the Guarantees and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are specific selling restrictions in relation to the United States, the EEA, the UK, the People's Republic of China, Hong Kong, Singapore, Japan and Taiwan. See "*Subscription and Sale*".

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and individually or together could affect the relevant Issuer's or Guarantor's ability to fulfil its obligations under Notes issued under the Programme.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers or the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Investors may lose the value of their entire investment in Notes or part of it. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference) and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" on pages 59 to 100 of this Offering Circular, "Description of Hitachi Capital Corporation" on pages 128 to 131 of this Offering Circular, "Description of Hitachi Capital (UK) PLC" on pages 132 to 134 of this Offering Circular and "Description of Hitachi Capital America Corp." on pages 135 to 136 of this Offering Circular have the same meanings when used herein.

Risks relating to each Issuer's ability to fulfil its obligations under Notes issued under the Programme and/or the Guarantees

Risks related to the merger of MUL and HC

The implementation of the Merger is subject to the satisfaction of certain conditions and those conditions may not be satisfied

The scheduled effective date of the Merger is 1 April 2021. However, the implementation of the Merger is subject to the satisfaction of certain conditions including, among other things, approvals of the shareholders of HC, approvals of the shareholders of MUL and receipt of certain regulatory clearances and approvals. Furthermore, the change of control that is expected to occur due to the Merger may trigger certain provisions of contracts, agreements and instruments to which HC and its consolidated subsidiaries (the "**Group**") are a party and may require waivers and/or consents from the counterparties for purposes of the scheduled implementation of the Merger. There is no guarantee that the Merger will be approved by the relevant regulators or by the relevant shareholders, or that other necessary conditions will be satisfied. Failure to satisfy any of these conditions may result in the Merger not being completed as contemplated. A failure to complete the Merger would result in HC being unable to realise the prospective synergies and strategic benefits it intended to accrue from the Merger, and would entail the commitment of significant management time and resources to a project that is not ultimately completed, which could have a material adverse effect on the business and results of operations of the Group. Similarly, as the conditions of the Merger have yet to be satisfied, there is a risk that the combined company may not succeed HC as issuer or guarantor under the Programme, or assume HC's obligations on the Notes, in the way envisioned, which may have a material adverse effect on the market value and/or liquidity of the Notes in the secondary market.

Preparation for the Merger and integration following the Completion may be more costly than expected

The preparation for the Merger and the integration process following the completion of the Merger (the "**Completion**") may be more complex and costly than expected. The Group may incur higher than expected transaction- and Merger-related costs, such as legal, accounting and transaction fees and other costs related to the Merger. Some of these costs are payable regardless of whether the Merger is completed, and such costs may be higher than anticipated. Furthermore, successful integration following the Completion will require a significant amount of management time and various measures to be implemented. If the costs of preparation for the Merger and/or of the integration process following the Completion are substantially higher than anticipated, it could have a material adverse effect on the business, financial condition and result of operations of the Group and/or the proposed combined group consisting of the Group and MUL and its consolidated subsidiaries (the "**MUL Group**") and together with the Group, the "**Combined Group**").

Positive effects resulting from the Merger may fail to materialise or be materially less than have been estimated and some integration process may fail to be completed or realised as contemplated

Synergy benefits

HC believes the combination of the businesses of the Group and the MUL Group will achieve significant operational cost savings for the Combined Group. Furthermore, revenue growth by strengthening sales capabilities through the utilisation of the networks of the Group and the MUL Group is anticipated. The Combined Group also aims to accumulate assets and expand its investments in various businesses by utilising its capital capabilities and the effects of diversification in its portfolios realised through the Merger, and conducting efficient capital management. However, there is a risk that the projected operational cost savings will fail to materialise, that such cost savings may be materially lower than have been estimated, that the anticipated revenue growth will not be realised, or that the accumulation of assets and growth in investment capabilities will not be materialised, each of which would have a significant impact on the profitability of the Combined Group.

Retention of key staff and integration of employees

The success of the Combined Group will in part depend on its ability to retain, but also attract, hire and train qualified management as well as qualified technical, sales and other personnel. In the course of the integration process, key staff may leave the Combined Group in favour of competing entities. The inability to retain key staff could impair the ability of the Combined Group to properly execute the integration within the Combined Group. Furthermore, the Merger will involve, amongst other things, integration of employees, restructuring of staff structures and possibly the harmonisation of employment terms. However, such integration process may result in employees terminating their employment with the Combined Group which may in turn disrupt the integration process.

Risks caused by change and transition of IT systems

The Merger may cause changes and transitions to the Group's IT systems. Such changes and transitions could have an adverse impact on the efficiency of the business of the Group and/or the Combined Group. In addition, changes and transitions in the IT systems could be subject to risks caused by cyber-enabled crime, fraud, misappropriation, misuse, leakage and accidental release or loss of information maintained in the IT systems, which may be in breach of personal data legislation and which may result in loss of customers, customer dissatisfaction or financial claims.

Integration of brands

The integration of businesses including assets, operations, technologies and employees may expose the Group and, following the Completion, the Combined Group to operating difficulties and expenditures associated with integrating the brands. As a result, there may be a risk of customer confusion, in particular during the transition period.

As a result, it is possible that the anticipated integration effects will not be realised, which could have a material adverse effect on the business, financial condition and result of operations of the Combined Group.

Further information on the Merger are set out in the Merger Notice (as defined below – see paragraph (a) of the section “*Documents Incorporated by Reference*”), which is incorporated by reference into this Offering Circular.

The historical financial information of the Group may not be fully representative of its current financial situation and results of operations due to the effect of the Merger which may affect comparability and accuracy of historical and future financial performance

The Merger is an ongoing process that may only be completed in 2021 after the date of this Offering Circular. As the Merger will result in the creation of the new Combined Group, no historical financial statements (audited or unaudited) exist for such a group. Consequently, the historical financial information included in this Offering Circular may not be comparable with the current and future financial statements or be indicative of the Group's current and future financial condition and operating performance. As a result, it may be difficult for investors to evaluate the Issuers' and the Group's business and prospects given the possible modifications to its group structure.

Risks related to each Issuer's financial situation

Effects of the COVID-19 pandemic

During the fiscal year ended 31 March 2020, the global economy had been on a gradual slowdown trend due to the impact of the U.S.-China trade friction through the third quarter. In the fourth quarter, however, following the rapid spread of the novel coronavirus infection (“**COVID-19**”) and a pandemic declaration by the World Health Organization, governments in major countries declared states of emergency and implemented measures such as entry/exit restrictions, causing significant restrictions on economic activities and drastic deterioration in business confidence. The COVID-19 pandemic that started at the end of 2019 has spread around the world and there are concerns it will take a long time before the virus is completely contained. If demand for capital expenditures declines drastically and lease volume falls due to rapid changes in the economic environment or worsening of customers' business situation caused by the COVID-19 pandemic, HC's lease volume could decline which could adversely impact the business results of the Group. In addition, in order to prevent infections or the spread of COVID-19 to stakeholders such as employees and customers, business activities of HC may also be restricted to a certain extent.

In light of COVID-19, HCUK and HCA have adapted to remote working with most staff working from home. The severe economic downturn due to COVID-19 could lead to higher credit losses and lower business volumes as unemployment rises when the furlough scheme ends in the UK and if further stimulus in the U.S. is insufficient to protect against the impact of rising unemployment. Both HCUK and HCA have offered payment holidays to customers that require them. In addition, for HCUK the lower high street footfall due to COVID-19 could suppress business volumes for Consumer Finance.

Liquidity Risk

The Group works to manage its cash position appropriately by ensuring necessary cash liquidity as well as striving for asset liability management (“**ALM**”) and diversifying financing methods. However, if the creditworthiness of the Group declines, or if there is turmoil in the financial markets or changes in the market environment, it may be difficult for the Group to secure the necessary funds or the Group may be forced to procure funds at significantly higher rates than usual. These factors could have an adverse impact on the Group's business results. Also, HC receives a credit rating from ratings agencies. If HC's credit rating declines, similarly, the detrimental effects on financing could have an adverse impact on the Group's business results.

HCUK and its subsidiaries (the “**UK Group**”) funds itself from the following variety of sources (in order of size): notes issued under the Programme, bilateral bank term loans, two on-balance sheet securitisation programmes, commercial paper and short-term money market facilities. The UK Group's borrowing strategy is to firstly ensure continuity of funding but also at the same time to minimise cost and risk whilst preserving flexibility through the use of borrowings with a range of different maturities. The availability of the above and other types of funding depend on the willingness of investors to purchase debt and lenders to extend loans to HCUK. Any severe adverse change to the credit rating of HC or significant and severe market instability could impact upon HCUK's ability to issue certain types of debt and hence lead to either increased cost due to increased credit spreads or the use of sub-optimal sources to fund new borrowings and refinance existing borrowings. This would adversely impact the cost of borrowing and potentially reduce the profitability of the UK Group when the economic situation is such that these increases could not be passed on to the UK Group's customers. Severe global financial market disruption could potentially prevent the roll-over of maturing funding and compromise the ability of the UK Group's banking partners to provide short-term financing. This could potentially force the UK Group to temporarily cease writing new business in order to conserve cash to meet liabilities as they become due, and as a result would also reduce the future profitability of the UK Group, which would in turn erode the amount of insulation from default affecting investors that is provided by the size of the UK Group's share capital and reserves.

HCA and its direct wholly-owned subsidiary Hitachi Capital Canada Corp. (“**HCC**”), along with HCC's wholly-owned subsidiary CLE Capital Inc. (together with HCA and HCC, the “**HCA Group**”), currently raise capital through its U.S. commercial paper programme, the Programme and by borrowing funds under various loan facilities. The HCA Group may face a potential liquidity shortfall if it is unable to repay debts as they mature either by using available cash or raising new debt.

In addition, HCA's U.S. commercial paper programme and the Programme are guaranteed by the Guarantor, which may be subject to credit rating downgrades by the credit rating agencies. Such downgrades may limit HCA's ability to borrow in the capital markets and thus make it more difficult to refinance its obligations and increase its cost of funding. This may adversely affect HCA's financial results.

Market Risk

The Group procures large amounts of funds in order to provide financial services, including leasing and instalment sales. As such, the Group monitors the trends in the financial markets carefully. Furthermore, the Group strives for ALM. In principle, the Group has adopted a policy not to take risks in terms of foreign exchange rate volatility. When holding assets or liabilities denominated in different currencies, the Group will fund or manage assets in the same currency or minimise risks by using hedging tools. Hedging is performed after setting a maximum risk tolerance amount. However, large fluctuations in market interest rates, different movements between short-term and long-term interest rates or any other similar factors could cause a rise in fundraising costs, which could, in turn, have an adverse impact on the Group's business results. In addition, the Group has been expanding its operations overseas mainly in Europe. If foreign exchange rates are volatile, the amounts converted into Yen on the consolidated financial statements could fluctuate, which could have an adverse impact on the Group's business results.

The UK Group's assets are virtually all written at a fixed rate of interest and consequently there is a risk of reduced future profitability if the cost of the UK Group's borrowings taken out to fund its assets were to rise to above that which had been assumed at the time when the assets were written. This could potentially create losses over a period of time but would only threaten payment of principal and interest of Notes when the size of the losses exceeds the size of the UK Group's share capital and reserves. This risk is mitigated by the active management of future interest costs. The amount and duration of interest rate fixings taken are intended to match the interest rate duration of the fixed rates built into the portfolio of assets. This matching, or "hedge effectiveness", is maintained within a percentage range approved by HCUK's Board.

The HCA Group provides financings to its customers primarily on a fixed rate basis. A portion of HCA's liabilities are on a floating rate basis, which gives rise to interest rate risk. When interest rates rise, the result may be a higher cost of borrowing and a reduction in profitability. A sudden rise in interest rates may have an adverse impact on the HCA Group's financial expenses and result in a deterioration of its financial results.

Credit Risk from Counterparties to HCUK's Financial Derivative Transactions

There is a risk that a counterparty to one of HCUK's financial derivative transactions defaults on its payment obligations to the UK Group. Such a default could, when combined with a significant adverse market rate movement (such as a severe weakening of Sterling in foreign exchange markets), potentially cause a significant loss to the UK Group. If large enough, such a loss could endanger the UK Group's future operations. To limit the potential of such a risk, the UK Group only deals with counterparties approved by its Treasury Committee and Board of Directors, and that have had a credit rating assigned to them by an international credit rating agency that meets a minimum standard. The size of the UK Group's exposure to each counterparty, its credit rating and its credit default swap spread are all monitored, with the credit quality monitored at least quarterly and the limits both by individual counterparty and overall reviewed annually.

Currency Risk

The UK Group is exposed to foreign currency exchange rate risk due to the use of foreign currency denominated borrowings taken out to fund the UK Group's Sterling denominated assets. If the borrowings were not hedged, then there is a risk that were Sterling to weaken significantly the UK Group could suffer a significant loss and require significantly more Sterling to repay the borrowings than was derived from them when taken out. The combination of a significant weakening of Sterling with un-hedged currency borrowings could cause the UK Group to run out of cash to repay maturing borrowings. However, the UK Group's policy is to eliminate 100 per cent. of all foreign exchange rate risk, mainly by entering into cross currency swaps at the time of issuance of the debt. Currency risk will therefore only arise if a cross-currency swap counterparty defaults. A system of credit exposure monitoring based on counterparty credit ratings and mark to market valuations is in place to manage the exposure to swap counterparties, as described in the preceding paragraph "*Credit Risk from Counterparties to HCUK's Financial Derivative Transactions*".

Risks related to each Issuer's business activities and industry

Risk of Volatility in Demand for Capital Expenditures of HC

The Group's core lease business represents one means of financing for customers making capital expenditures. The Group is moving ahead with a plan to implement new measures based on assumptions made about capital expenditure demand in core businesses, such as sales finance. If demand for capital expenditures declines drastically and lease volume falls due to rapid changes in the economic environment or worsening of customers' business situation caused

by the COVID-19 pandemic, HC's lease volume may also decline, which may adversely impact the Group's business results.

Risk related to Labour and Employment Management of HC

The Group maintains an unwavering basic policy of "prioritising safety and health above all else." The Group strives to build an environment where employees who require child or family care can not only reduce prolonged work hours but also thrive through the promotion of systems that enable diverse work styles (telework, flex time, etc.) and work style reform projects aimed at increasing productivity. In addition, the Group conducts anti-harassment and other training for all employees and responds to labour issues by establishing an internal reporting and consultation system. In this manner, the Group strives to build an environment where employees can fully exhibit their skills. However, there are risks that the operations of HC cannot be carried out as expected due to prolonged work hours adversely impacting the physical and mental well-being of employees, and that laws may be violated due to a lack of appropriate monitoring of legal compliance matters concerning employment. Such risks may adversely affect the Group's reputation and standing.

The future relationship between the UK and the EU remains uncertain

Pursuant to the European Referendum Act 2015, a referendum on the UK's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU. In March 2017, the UK Government exercised its right under Article 50 of the Lisbon Treaty to leave the EU, which envisages a two-year timeframe for negotiating a withdrawal from the EU and the UK was due to leave the EU on 29 March 2019. Following Royal Assent of the European Union (Withdrawal Agreement) Act in the UK and ratification of the Withdrawal Agreement by the European Parliament, the UK left the EU on 31 January 2020 with a transition period currently expected to run to at least 31 December 2020.

Whilst the medium- to long-term consequences of the decision to leave the EU remain uncertain, it is expected that there will be a short-term negative impact to the general economic conditions in the UK and business and consumer confidence in the UK, which may in turn have a negative impact elsewhere in the EU and more widely. This may be affected by the length of time it takes for the UK to leave the EU and the terms of any future arrangements the UK will have with the remaining member states of the EU. Among other things, the UK's decision to leave the EU could lead to instability in the foreign exchange markets, including volatility in the value of the Sterling, the euro and the Yen.

Further, the ongoing uncertainty as to the type of ongoing relationships the UK will have with the EU and other global trade terms could cause a drop-in business or consumer confidence, which may have a material impact on GDP growth in one or more significant markets and therefore HCUK's performance. Output growth is likely to be at a slower pace than forecasted prior to the referendum and growth potential could be eroded by reduced levels of fixed asset investment and productivity growth. Lower than previously expected business, consumer or investor confidence could lead to reduced levels of business activity and higher levels of default and impairment.

No assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the Notes in the secondary market and/or the ability of HCUK to satisfy its obligations under the Notes.

Credit Risk of HC and HCA

The Group is engaged in the credit provision business which it conducts through the provision of financial services such as leasing and instalment sales. Accordingly, the Group works to quantitatively assess the situation of credit risks and carries out credit checks as well as setting credit limits for each individual transaction based on credit ratings. Furthermore, in the case of debtors assessed as "needs attention", "in danger of bankruptcy" or "bankrupt", the Group estimates the individual amount of expected bad debt in respect of each such debtor and posts this to the allowance for doubtful accounts or the like. However, future changes in economic conditions, market trends, or financial condition of its business partners arising out of, but not limited to, the COVID-19 pandemic may require the Group to make additional allowances for doubtful accounts or the like due to increased credit risk, and this could have an adverse effect on the Group's business results.

The HCA Group provides financings to large and small companies on a secured basis. The HCA Group mitigates credit risk by limiting the size of customer exposure based on the type of equipment being financed, the structure of the transaction and the credit strength of the customer. Should there be an increase in the percentage of customers who cannot repay their outstanding obligations however, the HCA Group may need to recognise an increase in its provision for doubtful accounts, which may have a negative impact on its financial results, and it is possible for the aggregate

defaulted amount to exceed HCA's equity capital and reserves and its capacity to absorb such defaults. If such situations were to arise, HCA may encounter difficulties in making payments on Notes issued under the Programme.

Credit Risk from HCUK Trading Operations

While HCUK has in place a number of controls and practices to manage customer default risk, there is a risk that the UK Group's customers default on their payment obligations to the UK Group, resulting in the loss of the capital amount outstanding on the agreements at the time the customers default. If the level of defaults was severe enough, resulting credit losses could exceed the UK Group's equity capital and endanger the repayment of principal and interest of Notes issued under the Programme.

Residual Value Risk of each Issuer

One of the Group's strategies is to provide financial services that focus on physical assets. The Group strives to further improve specialisation, recognising that the Group's core skill is its ability to evaluate the residual value of leased assets and resell assets after lease periods. In addition, the Group closely monitors the used vehicle market in each country and the residual value of vehicles and, by means of regular monitoring, constantly follows the latest used vehicle prices, so that the Group is always prepared to estimate the appropriate residual value of such vehicles. However, there is a possibility that the actual disposal value of leased assets will be lower than the initial estimated residual value due to factors such as unexpected changes in the market environment and technological innovations. In such cases, the Group's business results could be adversely impacted. In particular, regarding the residual value of vehicles in the mobility business, which the Group is focusing on, the HC's business results could be adversely impacted due to fluctuations of prices in the used vehicle market.

In addition, while the Group conducts regular monitoring of its assets in the Group's business areas and endeavours to make appropriate estimates of repair and removal costs, fluctuations in actual repair and removal costs could have an adverse impact on the Group's business results.

There is a risk that the sale of a physical asset at the end of or termination of a lease yields an amount that is less than the value that was assumed would be recovered in the relevant finance agreement. For the UK Group, residual value risk occurs primarily within the Vehicle Solutions and Business Finance business units (as described in "*Description of Hitachi Capital (UK) PLC*"). A large fall in second-hand market price of the UK Group's assets that are assumed to have a residual value in rental agreements (such as agreements for the rental of cars and other vehicles) would cause the UK Group to realise losses. This risk is mitigated by the UK Group mainly by the fact that the residual value portfolio is relatively small compared to the overall size of the UK Group's assets (around 10 per cent. from time to time). Additionally, future residual value positions are determined after being assessed individually. Residual value positions are frequently monitored with reference to various industry wide sources so that maturities can be managed effectively. Residual values are then updated and prospective depreciation is applied to reflect the updated valuation.

In relation to the HCA Group, certain manufacturers guarantee the majority of the HCA Group's residual values but the HCA Group is required to fulfil certain conditions imposed by the manufacturers in order for the guarantees to be in effect. Non-performance by the HCA Group of these conditions may result in the release of the manufacturers from their guarantee obligations. Without the guarantee payment from the manufacturer, the HCA Group may not fully recover the value of the residuals and this may negatively affect the HCA Group's profitability. In addition, there is also a risk that the manufacturer will not be able to fulfil its guarantee of the residual due to financial or other difficulties. In such situations, the HCA Group's profitability may be adversely affected and it may encounter difficulties in making payments on Notes issued under the Programme.

Legal and Regulatory Risk

Compliance and Regulatory Risk affecting each Issuer

Given that the Group offers a variety of financial services, it must comply with applicable laws and regulations, such as the Instalment Sales Act of Japan, the Financial Instruments and Exchange Act of Japan and the Money Lending Business Act of Japan, as well as a number of applicable laws and regulations relating to consumer protection and waste disposal. In order to engage in appropriate business activities with a high level of ethical values following the "Implementation of Corporate Ethics" as one of the Group's management philosophies and "Basics and Ethics" as one of the Group's core values, the Group has formulated a compliance policy and the department in charge of compliance compiles information, and plans, proposes and promotes the Group's compliance systems. Compliance training for officers and employees is carried out systematically in the form of basic legal affairs training, rank-based training, and specialist knowledge training, following the training plan formulated by the department in charge of personnel

training. Also, since the fiscal year ended 31 March 2017, the Group has introduced the Hitachi Capital Global Compliance Program, based on which the regulations on compliance with anti-bribery and competition laws and the regulations on prevention of transactions with anti-social forces have been created and identified as important compliance rules. In this manner, the Group strives to prevent bribery, to comply with competition laws, and to exclude anti-social forces and money laundering. However, in particular, breaches of laws and regulations on transactions with anti-social forces, money laundering, bribery and competition can result in large penalties or the imposition of business suspension orders levied by regulators in each country, which could greatly damage the Group's social trust. As such, the Group recognises these areas to be of particularly high risk. Also, there is the risk of being subject to punishment in cases of having inadequate measures to comply with laws and regulations in Japan on the protection of personal information and the risk of being subject to sanctions for having inadequate measures to comply with laws and regulations outside of Japan concerning personal data. The Group's social trust could be greatly damaged, and it could be forced to pay large sums of damages or penalties, if customers experience major damages due to leakage of personal information as a result of fraud or negligence by the Group.

The Group positions business expansion both in the Japanese market and the overseas markets as one of its growth strategies and provides various financial services to a broad range of customers, including companies and individuals, in various countries. The Group strives to strengthen its governance by implementing measures such as holding monthly meetings for that purpose, updating its systems and collecting information on the latest local laws and regulations and trends of business practice by utilising outside agencies. However, violations may occur if adequate measures are not implemented due to insufficient knowledge of local legislation, tax systems or business practices as well as on the changes thereto, which could have an adverse impact on the Group's business results.

HCUK is authorised and regulated by the FCA to provide consumer credit products and services and insurance mediation services to consumers and small businesses. There is a risk that if the UK Group fails to comply with registration or regulations it could eventually lead to penalties, and such losses could potentially reduce HCUK's ability to repay Notes. To mitigate this risk, HCUK's Board ensures that appropriate mechanisms, committees and responsibilities are in place or assigned to identify, evaluate and manage the risks which could prevent HCUK from achieving its business plans and furthermore maintains an adequate level of share capital and reserves to absorb some or all of such losses.

There is also a risk that changes in the regulatory framework within which the HCA Group operates could reduce its ability to conduct business profitably in the future, and that the HCA Group may not be able to adequately comply with registration or regulations, thereby resulting in penalties imposed by regulators which will negatively impact the HCA Group's profitability. Such penalties could not only cause a financial loss exceeding HCA's equity capital and reserves, but also irrevocably damage the HCA Group's reputation, which may result in future losses. In such situations, it may become difficult for HCA to make payments on Notes issued under the Programme.

Internal Control Related Risk

Risk Related to Internal Control in General

The Group has established and maintains an internal control system based on HC's board resolutions on internal control. Nevertheless, if internal controls do not function effectively or unexpected problems arise, there could be an adverse impact on the Group's business results.

Risk Related to Internal Control for Financial Reporting

The Group builds and operates internal control processes related to financial reporting in order to provide accurate and useful information to investors. HC has established the J-SOX Committee which works with companies in the Group to implement appropriate operations of its internal control systems related to financial reporting. In addition, in the preparation of financial reporting documents, the Group implements initiatives such as putting matters that group companies should pay attention to in writing and sharing them with the participants as prescribed procedures, so that the internal control processes related to financial reporting will function appropriately. However, if the internal control processes related to financial reporting do not function as expected, it is possible for contents of financial reporting disclosure items to become inadequate and material inaccuracies in the financial statements to be identified by the accounting auditors, which may result in the Group losing the investors' trust or experiencing a decline in its share price or damages to the Group's standing and reputation in society.

Notwithstanding anything stated in this risk factor, this risk factor should not be taken as implying that the relevant Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List.

Social and Governance Risks

Risk associated with cyberattacks and leaks of confidential information

The Group retains large amounts of confidential information obtained from various sources. The Group pays attention to and supervises and restricts its outsourcing partners so as to prevent any leakage or loss of confidential information. In addition, to prevent any such leakage, falsification, destruction or loss of confidential information due to internal fraud, the Group reviews access controls and analyses access logs of servicers on an ongoing basis, periodically upgrades security measures using regular bulk inspections, and holds education and training sessions. However, if the Group or its outsourcing partners incur direct or indirect damages by cyberattacks, or the Group's confidential information is leaked due to internal fraud or negligence, the Group's customers could be significantly affected and the Group's standing and reputation in society could be significantly damaged.

There is a risk that a security breach could lead to a loss or theft of customer, employee, supplier or the Group's confidential data. A major data security breach could lead to significant reputational damage and result in regulatory intervention and/or fines, especially considering the implementation of the General Data Protection Regulation (Regulation (EU) 2016/679) regarding the protection of natural persons with respect to the processing of personal data and on the free movement of such data. However, this risk is mostly mitigated by HCUK's real-time system monitoring that detects system compromises, perimeter firewalls and security controls together with its strict identity validation checks, device identification software and frauds, and by employing dedicated and suitably skilled information security and financial crime prevention support teams.

Risks associated with Notes issued under the Programme

Discontinuation of LIBOR and other benchmarks

The FCA, which regulates LIBOR, has indicated in a series of announcements that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcements indicate that the continuation of LIBOR on the current basis (or at all) is not guaranteed after 2021, and there is a substantial risk that LIBOR will be discontinued or modified by 2021. The sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks.

Separately, the euro risk-free-rates working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

In light of the Benchmark Regulation, and benchmark reform more generally, other benchmarks could be subject to similar announcements. This may cause LIBOR, EURIBOR and other benchmarks to be administered differently, to perform differently than they did in the past, to be discontinued or there may be other consequences that cannot be predicted. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates, and as to potential changes to such benchmarks or their administration may adversely affect such benchmarks during the term of the relevant Notes (such as Floating Rate Notes), the return on the relevant Notes and the trading market for securities based on the same benchmark.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were discontinued or otherwise were to become unavailable, the rate of interest on any Notes which reference LIBOR, EURIBOR or such other benchmark (such as Floating Rate Notes) will be determined for the relevant period by the fall-back provisions applicable to such Notes (as further described in Conditions 4(b)(ii) and 4(b)(iv)). Depending on the manner in which LIBOR, EURIBOR or such other benchmark is to be determined under the Terms and Conditions of the relevant Notes, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the relevant rate which, depending on market circumstances, may not be available at the relevant time or may provide a different result than if LIBOR, EURIBOR or such other benchmark had continued or continued to be administered in its previous form; (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR or such other benchmark was available; or (iii) (in the event of a Benchmark Event) result in the relevant Issuer, in consultation with the Independent Adviser, varying the Terms and Conditions of the Notes to reflect necessary Benchmark Amendments without any requirement for consent or approval of the Noteholders. In circumstances where LIBOR, EURIBOR or such other benchmark continues to be available but is administered differently or performs differently, this could result in adverse consequences for Notes linked to such

benchmark (including Floating Rate Notes), including a material adverse effect on the value and liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant benchmark could affect the ability of the relevant Issuer to meet its obligations under the Notes (including Floating Rate Notes) or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should note that the relevant Issuer, in consultation with the Independent Adviser, will have discretion to adjust the reference rate in the circumstances provided under the Terms and Conditions of the Notes. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. Investors should consider all of these matters when making their investment decision with respect to the relevant Notes.

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”.

The Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the UK. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU and non-UK based benchmark administrators, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU or UK supervised entities (as defined in Article 3(1)(17) of the Benchmark Regulation) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU and non-UK based supervised entities, not deemed equivalent or recognised or endorsed). These reforms (including the Benchmark Regulation) could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR or any other benchmark will continue to be supported going forward. This may cause LIBOR, EURIBOR or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The potential elimination of LIBOR, EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes referencing such benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may (without limitation) have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark”; or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a “benchmark”.

Where quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the rate of interest may ultimately revert to the rate of interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and the Floating Rate Option specified is an “IBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the rate of interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

For the avoidance of doubt, terms and expressions used but not defined in this risk factor have the respective meanings given to them in the Terms and Conditions of the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average (“SONIA”) as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market’s forward expectation of an average SONIA rate over a designated term). The market, or a significant part thereof, may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions as applicable to Notes referencing a SONIA rate that are issued under this Programme. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuers have no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in SONIA-referenced Notes. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The Issuers may in the future also issue Notes linked to or referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA linked/referenced Notes issued by it under the Programme. In addition, some issuers have issued notes linked to Compounded Daily SONIA. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Observation Period, which will occur on (but exclude) such number of London Banking Days prior to the relevant Interest Payment Date as is specified in the applicable Final Terms. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT or other operational systems, any of which could adversely impact the liquidity of such Notes. In addition, in contrast to LIBOR-based Notes, if Notes referencing Compounded Daily SONIA become due and payable as a result of an Event of Default under Condition 9, or are otherwise redeemed early on a date other than an Interest Payment Date in accordance with Condition 6, the rate of interest payable for the final Interest Period in respect of such Notes will only be determined a number of London Banking Days prior to the date on which the Notes become due and payable (being the Interest Determination Date) and will not be reset thereafter.

The terms of Notes which reference Compounded Daily SONIA provide that if the SONIA reference rate is not available or has not otherwise been published, the amount of interest payable on such Notes will be determined using the Bank of England’s Bank Rate (the “**Bank Rate**”) plus the mean of the spread of the SONIA reference rate to the Bank Rate. If these rate and spread calculation provisions of Notes which reference Compounded Daily SONIA become applicable, this could result in adverse consequences to the amount of interest payable on such Notes, which could adversely affect the return on, value of, and market for, such Notes. Further, there is no assurance that the characteristics of the Bank Rate and spread calculation will be similar to, or will produce the economic equivalent of, the SONIA reference rate upon which Compounded Daily SONIA is based. In addition, if the rate of interest on Notes which reference Compounded Daily SONIA cannot be determined using the Bank Rate, then the rate of interest will be the rate determined as at the last preceding Interest Determination Date, which would cause the rate of interest on such Notes to become fixed and could thereby adversely affect the return on, value of and market for such Notes.

The manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the adoption of SONIA reference 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 Notes referencing SONIA or Compounded Daily SONIA.

Further, if Compounded Daily SONIA does not prove to be widely used in securities such as the Notes, the trading price of such Notes linked to or referencing Compounded Daily SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

In respect of any Notes issued by HCUK with a use of proceeds for Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

In respect of Notes issued by HCUK, the applicable Final Terms relating to any specific issue of Notes may provide that HCUK's intention is to apply the proceeds from such offer of Notes to finance or refinance a portfolio of qualifying projects (the "**Eligible Project Portfolio**"), which is selected based on categories and criteria under the Green Finance Framework of HCUK, as updated from time to time (the "**Green Finance Framework**"). Prospective investors should have regard to the information in the applicable Final Terms and the Green Finance Framework regarding such use of proceeds and consult with their legal and other advisers before making an investment in any such Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

Pursuant to the recommendations under the 2018 edition of the Green Bond Principles published by the International Capital Market Association ("**ICMA**"), prior to the issuance of any such Notes, HCUK will engage a second party opinion provider to provide a second party opinion regarding its Green Finance Framework (the "**second party opinion**"). The Green Finance Framework, any second party opinions and associated reporting are available on HCUK's website at <https://www.hitachicapital.co.uk/financial-performance/>. The Green Finance Framework and any second party opinions published are not incorporated in, and do not form part of, this Offering Circular. The second party opinions may not reflect the potential impact of all risks related to the issuance, market, additional risk factors and other factors that may affect the value of any specific issue of Notes. The second party opinions are not a recommendation to buy, sell or hold securities and is only current as of the date on which such opinion was initially issued.

There is no guarantee that the use of such proceeds will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainable or social impact of any projects or uses, the subject of or related to, the relevant projects in the Eligible Project Portfolio).

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social", "sustainable" or equivalently-labelled project, or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, there is a risk that the Eligible Project Portfolio may not meet the criteria, expectations and objectives of investors regarding the environmental or social impact or sustainability performance of such "green", "social", "sustainable" or equivalently-labelled projects or that adverse environmental, social and/or other impacts may occur during the implementation of any projects within the Eligible Project Portfolio. In addition, there is a risk that the Notes may not comply with any future standards or requirements regarding any "green", "social", "sustainable" or other equivalently-labelled performance objectives and, accordingly, the status of any Notes as being "green", "social" or "sustainable" (or equivalent) could be withdrawn at any time.

No assurance or representation is given by HCUK, the Guarantor, the Dealers, the Paying Agents or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by HCUK) which may or may not be made available in connection with the issue of any Notes and in particular with the Eligible Project Portfolio to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular. Any such opinion or certification is only current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification (if issued) and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "social", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by HCUK, the Guarantor, the Dealers, the Paying Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the Eligible Project Portfolio. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock

exchange or securities market to another. No representation or assurance is given or made by HCUK, the Guarantor, the Dealers, the Paying Agents or any other person that any such listing or admission to trading obtained in respect of any such Notes will be maintained during the life of the relevant Notes.

While the proceeds of any Notes may be applied to the Eligible Project Portfolio in the manner described in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, the Eligible Project Portfolio will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects in the Eligible Project Portfolio. Nor can there be any assurance that such projects in the Eligible Project Portfolio will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated.

Any such event or failure by HCUK will not constitute an Event of Default under the relevant Notes. Any such event or failure to apply the proceeds of any issue of Notes as aforesaid and/or withdrawal of any opinion or certification or any such opinion or certification attesting that HCUK is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which may finance or refinance the Eligible Project Portfolio and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to HCUK's website and the Eligible Project Portfolio for further information.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Dual Currency Notes

The relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that the market price of such Notes may be volatile, they may receive no interest, payment of principal or interest may occur at a different time or in a different currency than expected and they may lose all or a substantial portion of their principal.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Index Linked Notes

The Issuers may issue Index Linked Notes where the Index Linked Redemption Amount, automatic early redemption or interest payable is dependent upon the level of an index or indices. The index or indices may comprise of reference equities, bonds, other securities, commodities, property, currency exchange rate or other assets or bases of reference, and may be a well-known and widely published index or indices or an index or indices established by an entity which may not be widely published or available. An investment in Index Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

Potential investors in Index Linked Notes should be aware that, depending on the terms of the Index Linked Notes, (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principally protected Notes, they may lose all or a substantial portion of their investment if the value of the index/indices do not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the Index Linked Redemption Amount or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on the Index Linked Redemption Amount or interest payable will be magnified.

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Notes.

Prospective purchasers should review the Additional Conditions relating to Index Linked Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The market price of Index Linked Notes may be volatile and may depend on, among other things, the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by, among other things, the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Additional Disruption Events

If specified in the applicable Final Terms in relation to a Series of Index Linked Notes, and if the Calculation Agent determines that an event giving rise to an Additional Disruption Event has occurred at any relevant time, the relevant Issuer may either (i) require the Calculation Agent to, at its sole discretion, make such adjustments to the Terms and Conditions to account for the Additional Disruption Event or (ii) redeem the Notes by giving notice to the holders of Notes in accordance with Condition 13 (*Notices*).

Prospective purchasers should review the Terms and Conditions relating to such Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and meetings of Noteholders

The Terms and Conditions of the Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts

that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to Renminbi denominated Notes

Notes denominated in Renminbi (“**Renminbi Notes**”) may be issued under the Programme. Renminbi Notes contain particular risks for potential investors, including:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present (see “*PRC Currency Controls*” below). In the event that the relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and registration with, the relevant authorities of the government of the PRC (the “**PRC Government**”). However, there can be no assurance that the necessary approvals from, and registration with, the relevant PRC Government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

Although since 1 October 2016, the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People’s Bank of China (“**PBoC**”), there can also be no assurance that the PRC Government will continue to liberalise gradually the control over cross-border Renminbi remittances in the future, that the pilot schemes will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the relevant Issuer or (if applicable) the Guarantor does remit some or all of the proceeds into the PRC in Renminbi and the relevant Issuer or (if applicable) the Guarantor subsequently is not able to repatriate funds outside the PRC in Renminbi, this may affect the ability of the relevant Issuer and (if applicable) the Guarantor to source Renminbi to finance its obligations under the Renminbi Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer’s or (if applicable) the Guarantor’s ability to source Renminbi outside the PRC to service such Renminbi Notes

While the PBoC, the central bank of China, has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “**Renminbi Clearing Banks**”), including but not limited to Hong Kong, London, Frankfurt and Singapore, and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the “**Settlement Arrangements**”), the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although PBoC has gradually allowed participating banks to access the PRC’s onshore inter-bank market for the purchase and sale of Renminbi.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer or (if applicable) the Guarantor is required to source Renminbi outside the PRC to service the Renminbi Notes, there can be no assurance that the relevant Issuer or (if applicable) the Guarantor will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described in the Terms and Conditions of the Notes applicable to Renminbi Notes, the relevant Issuer or (if applicable) the Guarantor can make payments in U.S. dollars.

Investment in Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The relevant Issuer will make all payments of interest and principal with respect to Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in Renminbi Notes is subject to currency risk

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*)), the relevant Issuer or (if applicable) the Guarantor is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Terms and Conditions of the Notes allow the relevant Issuer or (if applicable) the Guarantor to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollar or other foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law and its implementation rules as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-resident enterprise Holders may be subject to enterprise income tax if such gain is income derived from sources within the PRC. However, uncertainty remains as to whether the gain realised from the transfer of the Renminbi Notes would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. According to the arrangement between the PRC and Hong Kong, residents of Hong Kong, including enterprise holders and individual holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Renminbi Notes.

Therefore, if non-resident enterprise Holders are required to pay PRC income tax on gains on the transfer of the Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of Renminbi Notes reside that reduces or exempts the relevant tax, the value of their investment in the Renminbi Notes may be materially and adversely affected.

Risks related to Exempt Notes

An active secondary market in respect of the Exempt Notes may never be established or the Exempt Notes may be illiquid, which would adversely affect the value at which an investor could sell its Exempt Notes

Exempt Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Exempt Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market at prices higher than the relevant investor's initial investment. Therefore, in establishing their investment strategy, investors should ensure that the term of the Exempt Notes is in line with their future liquidity requirements. This is particularly the case for Exempt Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Exempt Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Exempt Notes. The liquidity of Exempt Notes is also influenced by whether or not the relevant Exempt Notes are exclusively offered to retail investors without any offer to institutional investors.

The relevant Issuer may, but is not obliged to, list an issue of Exempt Notes on a stock exchange. If Exempt Notes are not listed or traded on any exchange, pricing information for the relevant Exempt Notes may be more difficult to obtain and the liquidity of such Exempt Notes may be adversely affected.

The secondary market price of any Exempt Notes immediately following their issue may be less than the issue price

If Exempt Notes are not listed or admitted to trading on a regulated market in a member state of the EEA, they may be traded on trading systems governed by the laws and regulations in force from time to time (e.g., multilateral trading systems) or in other trading systems (e.g., bilateral systems, or equivalent trading systems). Trading in such Exempt Notes may take place outside the above-mentioned trading systems, with possible risks as to the transparency of the determination of prices. Investors should note that the relevant Issuer does not grant any warranty to Noteholders as to the methodologies used to determine the price of Exempt Notes which are traded outside a trading system, however, where the relevant Issuer or any of their affiliates determine the price of such Exempt Notes, they will take into account the market parameters applicable at such time in accordance with applicable provisions of law.

The relevant Issuer and any relevant Dealer may, but is not obliged to, at any time purchase Exempt Notes at any price in the open market or by tender or private treaty. Any Exempt Notes so purchased may be held or resold or surrendered for cancellation. Any relevant Dealer may, but is not obliged to, be a market-maker for an issue of Exempt Notes. Even if a relevant Dealer is a market-maker for an issue of Exempt Notes, the secondary market for such Exempt Notes may be limited and there is no assurance given as to the price offered by a secondary market-maker or the impact of any such quoted prices on those available in the wider market. To the extent that an issue of Exempt Notes becomes illiquid, an investor may have to hold the relevant Exempt Notes until maturity before it is able to realise value.

In the case of unlisted Exempt Notes (i) subject to optional redemption by the relevant Issuer and (ii) where principal or interest is determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors ("**Unlisted Callable Structured Notes**"), the relevant Issuer may from time to time publish on a screen page of a commercial quotation service or on such other basis as it may advise the relevant Dealer(s) an indication of the charges it may apply on any purchase by it of such Unlisted Callable Structured Notes.

Any such publication is in the relevant Issuer's sole and absolute discretion and the relevant Issuer may subsequently change any indicative charge so published or cease such publication at any time and for any reason. No such publication will constitute an offer to buy or a solicitation of an offer to sell any Unlisted Callable Structured Notes or represent any undertaking or other commitment by the relevant Issuer to purchase any Unlisted Callable Structured Notes and any actual charge applied by the relevant Issuer on any purchase of Unlisted Callable Structured Notes by it may be greater or less than any indicative charge published. The relevant Issuer or (if applicable) the Guarantor will not at any time purchase any Unlisted Callable Structured Exempt Notes from any Noteholder in any jurisdiction in which such purchase is unlawful and the relevant Issuer may decide not to purchase Unlisted Callable Structured Notes at any time and for any reason.

Any charge the relevant Issuer may apply on any purchase of Unlisted Callable Structured Notes will be only one of the relevant considerations in determining the purchase price of the relevant Unlisted Callable Structured Notes and other relevant factors may include, without limitation, the weighted average life of the Unlisted Callable Structured Notes and the cost to the relevant Issuer of unwinding any underlying and/or related hedging and funding arrangements. The determination of such factors and any price at which the relevant Issuer may purchase any Unlisted Callable Structured Notes will be in the sole and absolute discretion of the relevant Issuer.

Investors should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuer and/or any relevant Dealer purchasing or holding Exempt Notes.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the

case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and (if applicable) the Guarantor will make any payments under the relevant Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms. Such rating(s) will not necessarily be the same as the ratings assigned to any of the Issuers, the Programme described in this Offering Circular or to Notes already issued.

The rating(s) assigned to any Notes may not reflect the potential impact of all risks related to the structure of the issue, market, additional factors discussed above, and other factors that may affect the value of the Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There are no guarantees that any rating assigned to an issue of Notes will be assigned or maintained. Any credit rating agency may lower its rating or withdraw its rating if, in the sole judgement of the credit rating agency, the credit quality of the Notes has declined or is in question. In addition, at any time a credit rating agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Notes may be lowered. If any of the rating(s) assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the FCA shall be incorporated in, and form part of, this Offering Circular:

- (a) the Regulatory News Service announcement by HCUK dated 23 October 2020 (the “**Merger Notice**”) in respect of the Merger, including the relevant sections (except for section II.10 entitled “Shareholder Return Policy after the Business Integration” on page 23 of the below notice, which is not incorporated in and does not form part of this Offering Circular) of the “Notice concerning Conclusion of Agreement on Business Integration through Merger between Mitsubishi UFJ Lease and Hitachi Capital” dated 24 September 2020 made by HC and MUL referred to therein;
- (b) the audited consolidated annual financial statements prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”) for the year ended 31 March 2020 of HC and the independent auditor’s report as at and for the years ended 31 March 2020 and 2019 (contained in the Hitachi Capital Group Financial Information Details 2020);
- (c) the audited consolidated annual financial statements prepared under IFRS for the year ended 31 March 2019 of HC and the independent auditor’s report as at and for the year ended 31 March 2019 (contained in the Hitachi Capital Group Financial Information Details 2019);
- (d) the unaudited consolidated financial information for the six month period ended 30 September 2020 of HC set out in the document named “Consolidated Second Quarter Earnings Report (IFRS) For the Six Months Ended September 30, 2020” which is not subject to review by the independent auditor, except for the following sections which are not incorporated in and do not form part of this Offering Circular:
 - the last two lines which begin “Year Ending March 31, 2021” and “Year Ending March 31, 2021 (Forecast)” in the table on the first page titled “2. Dividends”;
 - the table (including the commentary underneath) on the first page titled “3. Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)”;
 - the last paragraph on the second page titled “Explanation for proper use of the forecasts, etc”; and
 - the subsection on page 9 titled “(3) Explanation on Future Forecast Information including Consolidated Earnings Forecast” in the part headed “1. Qualitative Information concerning Financial Results for the Second Quarter Ended September 30, 2020”;
- (e) the audited consolidated annual financial statements prepared under International Financial Reporting Standards as adopted by the European Union for the year ended 31 March 2020 of HCUK and the auditor’s report for the year ended 31 March 2020 (appearing at pages 57-177 of HCUK’s 2020 Annual Report);
- (f) the audited consolidated annual financial statements prepared under International Financial Reporting Standards as adopted by the European Union for the year ended 31 March 2019 of HCUK and the auditor’s report for the year ended 31 March 2019 (appearing at pages 40-113 of HCUK’s 2019 Annual Report);
- (g) the unaudited consolidated financial statements prepared under International Financial Reporting Standards as adopted by the European Union for the six month period ended 30 September 2020 of HCUK, which is not subject to review by the independent auditor;
- (h) the audited consolidated annual financial statements prepared under generally accepted accounting principles in the United States for the years ended 31 March 2020 and 31 March 2019 of HCA and the auditor’s report for the years ended 31 March 2020 and 31 March 2019;
- (i) the terms and conditions contained in pages 53 to 107 of the offering circular dated 2 October 2019;
- (j) the terms and conditions contained in pages 57 to 104 of the offering circular dated 8 August 2018;
- (k) the terms and conditions contained in pages 54 to 101 of the offering circular dated 8 August 2017;

- (l) the terms and conditions contained in pages 53 to 100 of the offering circular dated 11 August 2016;
- (m) the terms and conditions contained in pages 53 to 100 of the offering circular dated 11 August 2015;
- (n) the terms and conditions contained in pages 52 to 97 of the offering circular dated 4 August 2014; and
- (o) the terms and conditions contained in pages 56 to 103 of the offering circular dated 12 August 2013,

in each case, excluding all information incorporated therein by reference (such information is not relevant for prospective investors or is covered elsewhere in this Offering Circular) which shall not form part of this Offering Circular; **provided that** any statement contained in a document all or the relative portion of which is incorporated by reference will be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein or in any supplement hereto, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Where only certain parts of a document are incorporated by reference, the non-incorporated parts of the document are either not relevant for investors or are covered elsewhere in this Offering Circular.

Following the publication of this Offering Circular a supplement may be prepared by the Issuers and approved by the FCA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of each Issuer and from the specified office of the Principal Paying Agent in London. In addition, copies of such documents will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. Such documents will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) and the websites of HC (https://www.hitachicapital.co.jp/hcc/english/ir_english/index.html) and HCUK (<https://www.hitachicapital.co.uk/financial-performance/>).

Any content of the websites referred to herein do not form part of this Offering Circular and have not been scrutinised or approved by the FCA, nor are they incorporated by reference in this Offering Circular.

The Issuers will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new offering circular for use in connection with any subsequent issue of Notes.

FINAL TERMS, PRICING SUPPLEMENTS AND DRAWDOWN PROSPECTUSES

In this section “*Final Terms, Pricing Supplements and Drawdown Prospectuses*”, the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and (if applicable) the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer and the Guarantor have endeavoured to include in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the applicable Final Terms, Pricing Supplement or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms or Pricing Supplement unless any of such information constitutes a significant new factor relating to the information contained in this Offering Circular in which case such information, together with all of the other necessary information in relation to the relevant series of Notes (other than Exempt Notes), may be contained in a Drawdown Prospectus or a new offering circular.

For a Tranche of Notes which is the subject of Final Terms or Pricing Supplement, the Final Terms or Pricing Supplement will, for the purposes of that Tranche only, supplement this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as completed by the applicable Final Terms and the terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Terms and Conditions of the Notes as completed, amended, modified or superseded by the applicable Pricing Supplement.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor and the relevant Notes. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the applicable Pricing Supplement or Drawdown Prospectus.

In the case of a Tranche of Notes which is the subject of a Pricing Supplement or Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise.

FORM OF THE NOTES

General

The issue, exchange and transfer of Notes as described in this section “*Form of the Notes*” shall be effected pursuant to, and in accordance with, the provisions of the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”) and without charge to any holder of Notes (but against such indemnity as the Principal Paying Agent or Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such issue, exchange or transfer).

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Each of the Issuers may issue additional Tranches of Notes from time to time, which will be consolidated, form a single series and be interchangeable for trading purposes with the existing Tranche(s) of the Series on either (i) the issue date of the additional Tranche of Notes or (ii) on exchange of the Temporary Global Note representing the additional Tranche of Notes for interests in the Permanent Global Note. Upon issuance of additional Tranches of Bearer Notes (if any) prior to the Exchange Date for a particular Tranche of Bearer Notes (as it may be extended), such Exchange Date will be extended (or further extended), without the consent of the Noteholders, until the fortieth day after the completion of the distribution of such additional Tranche of Bearer Notes. Upon issuance of additional Tranches of Registered Notes (if any) prior to the date that is the fortieth day after the completion of the distribution of a particular Tranche of Registered Notes (as it may be extended), such fortieth day will be extended (or further extended), without the consent of the Noteholders, until the fortieth day after the completion of the distribution of such additional Tranche of Registered Notes.

Pursuant to the Agency Agreement, the Principal Paying Agent or the Registrar, as the case may be, shall arrange that, where an additional Tranche of Notes is issued which is intended to form a single series and be consolidated with an existing Tranche of Notes and such Notes will be represented on issue by a Temporary Global Note, the Notes of such additional Tranche shall be assigned a temporary common code and temporary ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to existing Notes of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the Notes of such additional Tranche.

A Note may be declared due and payable by a Noteholder upon the occurrence of an Event of Default, as described in Condition 9 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that he wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void together with, in the case of a Global Registered Note, the corresponding entry in the Register (as defined under “*Terms and Conditions of the Notes*”). At the same time, holders of interests in such global Note credited to their account with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the “**Deed of Covenant**”) dated 17 December 2020, executed by the relevant Issuer.

Bearer Notes

Only HC and HCUK may issue Notes in bearer form (“**Bearer Notes**”).

Each Tranche of Bearer Notes will either be initially represented by a temporary global Note (without Receipts, Coupons or Talons) (a “**Temporary Global Note**”) or, if agreed between the relevant Issuer and the relevant Dealer, be represented by a permanent global Note (a “**Permanent Global Note**”) which, in either case, unless otherwise agreed between the relevant Issuer and the relevant Dealer, will (i) if the Global Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear and Clearstream, Luxembourg; and (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

If a Temporary Global Note and/or Permanent Global Note is issued in NGN form, Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (“**Eurosystem eligible collateral**”). In the case of

Exempt Notes, the applicable Pricing Supplement will state whether or not the relevant Exempt Notes are intended to be held as Eurosystem eligible collateral. The designation that Notes are intended to be held as Eurosystem eligible collateral means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. In the case of Notes which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. In either case, such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to each Tranche of Notes, beneficial interests in a Temporary Global Note, a Permanent Global Note or definitive Bearer Notes may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made outside the United States and its possessions (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of such Bearer Note is not a U.S. person or a person who has purchased for resale, directly or indirectly, to any U.S. person, as required by U.S. Treasury Regulations and applicable U.S. securities laws, has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it/they has/have received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which is the later of (i) 40 days after the date on which any Temporary Global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer(s) (in the case of a non syndicated issue) or the relevant lead manager (in the case of a syndicated issue), interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either (i) for interests in a Permanent Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, Receipts, Coupons and – if, at the time of exchange into definitive form, more than 27 coupon payments are left – Talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or definitive Bearer Notes is improperly withheld or refused. The exchange upon notice or at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000”. Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) outside the United States and its possessions of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge) in whole, but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, and in respect of Bearer Notes only, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note issued in definitive Bearer Note form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may

also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

No definitive Bearer Note delivered in exchange for a Temporary Global Note or a Permanent Global Note will be mailed or otherwise delivered to any location in the United States or its possessions in connection with any such exchange.

Registered Notes

HC, HCUK and HCA may issue Notes in registered form (“**Registered Notes**”). HCA may only issue Registered Notes.

Each Tranche of Registered Notes will be in the form of either a global Registered Note (a “**Global Registered Note**”) or definitive Registered Notes, without Receipts, Coupons or Talons attached, in each case as specified in the applicable Final Terms.

Prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to each Tranche of Notes, beneficial interests in a Global Registered Note or definitive Registered Notes may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for definitive Registered Notes in accordance with its terms.

Payments of principal, interest (if any) and any other amount in respect of a Global Registered Note will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the relevant Global Registered Note. None of the relevant Issuer, (if applicable) the Guarantor, the Principal Paying Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Global Registered Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments of principal, interest (if any) or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined under “*Terms and Conditions of the Notes*”) immediately preceding the due date for payment in the manner provided in the Terms and Conditions of the Notes.

If the applicable Final Terms specifies the form of Notes as being “Global Registered Note exchangeable for definitive Registered Notes”, then the Notes will initially be in the form of a Global Registered Note which will be exchangeable (free of charge) in whole, but not in part, for definitive Registered Notes, without Receipts, Coupons or Talons attached, upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) to the Registrar as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, and in respect of Global Registered Notes only, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Registered Note issued in definitive Registered Note form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Registrar.

If the applicable Final Terms specifies the form of Notes as being “definitive Registered Notes”, then the Notes will at all times be in the form of definitive Registered Notes issued to each Noteholder in respect of their respective holdings.

Taiwan Settlement and Trading

*The following summary of certain settlement and trading procedures is generally based on current law and practice and assumes that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of Taiwan (“**TPEX Rules**”) only and pursuant to such TPEX Rules and other relevant rules and regulations of Taiwan.*

Initial subscription of the Notes by investors will be settled directly through Euroclear or Clearstream, Luxembourg. In order to purchase the Notes, an investor must have an account with Euroclear or Clearstream, Luxembourg and settle the Notes through such account with Euroclear or Clearstream, Luxembourg. For any Taiwanese investor having its own account with Euroclear or Clearstream, Luxembourg, the distributions of principal and/or interest for the Notes to such holders will be made to its own account with Euroclear or Clearstream, Luxembourg.

As of the date of this Offering Circular, the Issuers have not entered into any settlement agreement with the Taiwan Depository & Clearing Corporation (“**TDCC**”) and have no intention to do so. In the future, if any of the Issuers enter into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwan bank, may settle the Notes through the account of TDCC with Euroclear or Clearstream, Luxembourg if it applies to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in Taiwan. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the Taipei Exchange (“**TPEX**”) as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC’s receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the Taiwan banks with which the holder has the foreign currency deposit account.

Legends

The following legend will appear on all Notes and (if applicable) Receipts, Coupons and Talons:

“THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.”

The following legend will appear on all global Bearer Notes, definitive Bearer Notes, Receipts, Coupons and Talons issued by HC or HCUK with an initial maturity of more than 1 year:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the Internal Revenue Code referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, Receipts or Coupons.

The following legend will appear on all global Notes, definitive Notes, (if applicable) Receipts and Coupons (including Talons) issued by (i) HC or (ii) HCUK or HCA, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by such Issuer through its permanent establishment in Japan as provided for in the Special Taxation Measures Law:

“Payment of interest on the Notes to an individual resident of Japan or a Japanese corporation (except for (i) a financial institution designated by the Order for Enforcement of the Special Taxation Measures Law of Japan (the “**Cabinet Order**”) which has complied with the requirements under Article 6 of the Special Taxation Measures Law of Japan and (ii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments firm as provided in Article 3-3, Paragraph 6 of the Special Taxation Measures Law of Japan which receives the interest payments through its payment handling agent in Japan and complies with the requirement for tax exemption

under that Paragraph), or to an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes (a “**Non-Resident Holder**”) that, in either case, is a person having a special relationship (as described in Article 3-2-2, Paragraphs 5 through 7 of the Cabinet Order) with the Issuer (a “**Specially-Related Person of the Issuer**”) will be subject to Japanese income tax at a rate of 15.315 per cent. (until 31 December 2037, and a rate of 15 per cent. thereafter) of the amount of such interest.”

FORM OF THE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another Specified Currency). N.B. Notes issued by HCA must at all times have a minimum denomination of €100,000 (or its equivalent in other Specified Currencies) and be in multiples of €100,000 thereafter.

Final Terms dated [Date]

HITACHI CAPITAL CORPORATION

Legal Entity Identifier (LEI): 353800YUHF3P4VZ74A67

HITACHI CAPITAL (UK) PLC

Legal Entity Identifier (LEI): 549300P4PHVCL0EZU771

HITACHI CAPITAL AMERICA CORP.

Legal Entity Identifier (LEI): SAG6K2J487EOB0C5BI47

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by Hitachi Capital Corporation]

under the
U.S.\$ 5,500,000,000
EURO NOTE PROGRAMME

PART A - CONTRACTUAL TERMS

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR IN THE UNITED KINGDOM (“UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

(A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED (“**MIFID II**”); OR

(B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (THE “**INSURANCE DISTRIBUTION DIRECTIVE**”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “**PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET

SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER[’S/S’] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND

- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A “DISTRIBUTOR”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER[’S/S’] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER[’S/S’] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE “SFA”) – [INSERT NOTICE IF CLASSIFICATION OF THE NOTES IS NOT “PRESCRIBED CAPITAL MARKETS PRODUCTS”, PURSUANT TO SECTION 309B OF THE SFA].]¹

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Offering Circular dated 17 December 2020 which constitutes a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular [and the supplement[s] thereto dated []] which constitute[s] a base prospectus for the purposes of the Prospectus Regulation. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. Copies of the Offering Circular [and the supplements thereto] may be obtained during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying Agent in London. In addition, copies of the Offering Circular [and the supplements thereto] will be published on the website of the Regulatory News Service operated by the London Stock Exchange, and will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).]/[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Offering Circular dated [original date], which are incorporated by reference in the Offering Circular dated 17 December 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular dated 17 December 2020 [and the supplement[s] thereto dated []] which constitute[s] a base prospectus for the purposes of the Prospectus Regulation. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated 17 December 2020 [as so supplemented]. Copies of such Offering Circular [and the supplement[s] thereto] may be obtained during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying Agent in London. In addition, copies of the Offering Circular [and the supplements thereto] will be published on the website of the Regulatory News Service operated by the London Stock Exchange, and will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).]

The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended or superseded).

- | | | | |
|----|---------|--|--|
| 1. | [(i)] | Issuer: | [Hitachi Capital Corporation/Hitachi Capital (UK) PLC/Hitachi Capital America Corp.] |
| | [(ii)] | Guarantor: | Hitachi Capital Corporation] |
| 2. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/[•]] |
| 3. | | Specified Currency [or Currencies]: | [•] |
| 4. | | Aggregate Nominal Amount: | |

¹ Legend to be included on the front of the Final Terms if the Notes sold into Singapore do not constitute “prescribed capital markets products” as defined under the CMP Regulations 2018.

- (i) Series: [•]
- (ii) Tranche: [•]
5. Issue Price: [•]
6. (i) Specified Denomination(s): [•]
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [•]
8. Maturity Date: [•]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[•] +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- [Dual Currency Interest]
- [Index Linked Interest]
10. Redemption/Payment Basis: [Redemption at par]
- [Dual Currency Redemption]
- [Instalment]
- [Index Linked Redemption]
11. Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Not Applicable]
- [Investor Put]
- [Issuer Call]
13. Date of Board Resolutions: [•] [and [•] respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [•] per cent. per annum payable on each Interest Payment Date [adjusted in accordance with the Interest Ratchet]
- (ii) Step Up Event/Step Down Event: [Yes/No]
- (iii) Step Up Margin: [Not Applicable/[•] per cent. per annum]

- (iv) Interest Payment Date(s): [•]
 - (v) Fixed Coupon Amount(s): [•] per Calculation Amount
 - (vi) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
 - (vii) Fixed Day Count Fraction: [Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed)]
 - (viii) [Determination Dates: [•] in each year]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: [[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
 - (ii) First Interest Payment Date: [•]
 - (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (iv) Additional Business Centre(s): [•]
 - (v) Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined: [Screen Rate Determination/ISDA Determination]
 - (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): [•]
 - (vii) Screen Rate Determination: [Applicable/Not Applicable]
 - (a) Reference Rate: [EURIBOR/ LIBOR/ BBSW/ BKBM/ CAD BACDOR/ CDOR/ CMS/ CNH HIBOR/ Compounded Daily SONIA/ HIBOR/ NDBB/ NIBOR/ SOFR/ SONIA/ SORF/ STIBOR/ TIBOR]
 - (b) Interest Determination Date(s): [[•]/[as per the Conditions]]
 - (c) Observation Look-Back Period: [•]/[Not Applicable]
 - (d) Relevant Screen Page: [•]
 - (e) Relevant Time: [•] in the Relevant Financial Centre
 - (f) Relevant Financial Centre: [London/Brussels/Sydney/Auckland/Toronto/Hong Kong/Oslo/ New York/Singapore/Stockholm/Tokyo/Wellington/ [•]]
 - (g) Designated [•]

Maturity:

- (viii) ISDA Determination: [Applicable/Not Applicable]
- (a) Floating Option: Rate [•]
- (b) Designated Maturity: [•]
- (c) Reset Date: [•]
- (ix) Linear Interpolation: [Not Applicable]/[Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation.]
- (x) Margin(s): [+/-] [•] per cent. per annum
- (xi) Minimum Interest Rate: [•] per cent. per annum
- (xii) Maximum Interest Rate: [•] per cent. per annum
- (xiii) Day Count Fraction: [Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and 6(j) apply]
17. **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]
- (i) Rate of Exchange: [•]
- (ii) Party, if any, responsible for calculating the principal and/or interest due: [Principal Paying Agent/[•]]
- (iii) Person at whose option Specified Currency(ies) is/are payable: [•]
18. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]
- (i) Index/Basket Indices/Index of Sponsor/Reference Source: [The “Index” means [•]]
- [The Index is a Unitary Index/Multi-Exchange Index]
- [The Index Sponsor for the Index is [•]]

[The Index Currency for the Index is [•]]

[The Reference Source for the Index is [•]]

- | | | |
|--------|---|---|
| (ii) | Index Linked Interest Formula: | Additional Condition 1.3 [(A)/(B)][(I)/(II)] shall apply |
| | | [For the purpose of each item of the Index Linked Interest Formula, [(x)/(y)] shall apply] [the applicable Interest Amount shall be [•]] |
| (iii) | Specified Period(s)/Specified Period End Date(s): | Interest |
| | | [[•] in each year from and including [•] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/subject to no adjustment]/[•]/[same as Specified Interest Payment Date(s)]] |
| (iv) | Specified Interest Payment Dates: | [[•] in each year from and including [•] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/[•]]] |
| (v) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] |
| (vi) | Additional Financial Centre(s) relating to Business Days: | [[•]/Not Applicable] |
| (vii) | Minimum Rate/Amount of Interest: | [[•] per cent. per annum/Not Applicable] |
| (viii) | Medium Rate/Amount of Interest: | [[•] per cent. per annum/Not Applicable] |
| (ix) | Maximum Rate/Amount of Interest: | [[•] per cent. per annum/Not Applicable] |
| (x) | Day Count Fraction: | [Actual/Actual (ISDA) / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)] |
| (xi) | Exchange(s): | [•] |
| (xii) | Related Exchange: | [[•]/All Exchanges] |
| | | [(Paragraph [(I)/(II)] of the definition of “Related Exchange” in Additional Condition 1.2 shall apply)] |
| (xiii) | Valuation Date(s): | [•] |
| | | [(Paragraph [(b)(i)/(b)(ii)] of the definition of “Valuation Date” in Additional Condition 1.2 shall apply)] |
| (xiv) | Valuation Cut-Off Date(s): | [•]/[Paragraph (ii) of the definition of “Valuation Cut-Off Date” in Additional Condition 1.2 shall apply] |
| (xv) | Barrier Level: | [[•]/Barrier Level 1: [•]; Barrier Level 2: [•] /Not Applicable] |
| (xvi) | Base Price: | [As defined in Additional Condition 1.2/Not Applicable] |

- (xvii) Base Price Fixing Date: [[●]/Not Applicable]
 [(Paragraph [(I)/(II)/(III)] of the definition of “Base Price Fixing Date” in Additional Condition 1.2 shall apply)]
- (xviii) Base Price Valuation Cut-Off Date: [●]/[Paragraph (ii) of the definition of “Base Price Valuation Cut-Off Date” in Additional Condition 1.2 shall apply]
- (xix) Correction Publication Cut-Off Date: [Applicable/Not Applicable]
 [The immediately following business day of the original date of publication/[●]]
- (xx) Additional Disruption Change in Law is [Applicable/Not Applicable]
 Events: Hedging Disruption is [Applicable/Not Applicable]
 Increased Cost of Hedging is [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19. **Notice periods for Condition 6(b) (*Redemption and Purchase - Redemption for Tax Reasons*):** [As set out in Condition 6(b)/Minimum period: [●] days; Maximum period: [●] days]
20. **Issuer Call:** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
 - Par Redemption Date: [●]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount]/[Make-Whole Redemption Amount (Sterling)]/[Make-Whole Redemption Amount (Non-Sterling)]/[Par Redemption Amount]
- (iii) Reference Bond: [●]
- (iv) Redemption Margin: [●]
- (v) Quotation Time: [●]
- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (vii) Notice period: [Minimum period: [●] days; Maximum period: [●] days]
21. **Investor Put:** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount: [●]
- (iii) Notice period: [Minimum period: [●] days; Maximum period: [●] days]

22. **Final Redemption Amount:** [•] per Calculation Amount
23. **Index Linked Redemption Notes:** [Applicable/Not Applicable]
- (i) Index Linked Automatic Early Redemption: [Applicable/Not Applicable]
- [For the purpose of the Automatic Early Redemption Event, Additional Condition 1.4(a)[(i)(x)/(i)(y)/ (ii)(x)/(ii)(y)] shall apply]
- (ii) Index Linked Final Redemption:
- (a) Index/Basket Indices/Index of Sponsor(s)/Reference Source: [The “Index” means [•]]
- [The Index is a Unitary Index/Multi-Exchange Index]
- [The Index Sponsor for the Index is [•]]
- [The Index Currency for the Index is [•]]
- [The Reference Source for the Index is [•]]
- [As specified in item 18(i) in “Index Linked Interest Note Provisions” above]
- (b) Index Linked Redemption Formula: Additional Condition 1.4(b)[(I)/(II)/(III)/(IV)] shall apply
- [For the purpose of each item in the Index Linked Redemption Formula, [(x)/(y)] shall apply]
- (c) Automatic Early Redemption Amount: [•] per Calculation Amount
- (d) Automatic Early Redemption Date(s): [•]
- (e) Automatic Early Redemption Valuation Date(s): [•]
- (f) Rounding (Index Performance): [[Rounded down/Rounded up/Rounded to the [nearest [whole number [(with 0.5 being rounded up)]]/[nearest [•] decimal places [(with [half of such number of decimal places] being rounded up)]]]]]
- [Rounding Not Applicable]
- (g) Exchange(s): [[•]/As specified in item 18(xi) of “Index Linked Interest Note Provisions” above]
- (h) Related Exchange: [[•]/All Exchanges/As specified in item 18(xii) of “Index Linked Interest Note Provisions” above]
- (i) Valuation Date(s): [[•]/As specified in item 18(xiii) of “Index Linked Interest Note Provisions” above]
- (j) Valuation Cut-Off [•]/[Paragraph (ii) of the definition of “Valuation Cut-Off Date” in Additional Condition 1.2 shall apply]/[As specified in item

- Date: 18(xiv) of “Index Linked Interest Note Provisions” above]
- (k) Observation Period: [Applicable/Not Applicable]
- (i) Observation Period Start Date: [[Including/Excluding] [●]/Not Applicable]
- (ii) Observation Period End Date: [[Including/Excluding] [●]/Not Applicable]
- (l) Barrier Event: [Not Applicable/Barrier Event (intraday), Early Closure [applicable/not applicable]/Barrier Event (closing)]
- [For the purpose of the definition of the Barrier Event Determination Day, [(a)(i)/(a)(ii)/(b)] shall apply]
- [For the purpose of definition of the Barrier Event (closing), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]
- [For the purpose of definition of the Barrier Event (intraday), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]
- (m) Barrier Level: [[●]/Not Applicable]
- (n) Knock-out Price: [[●]/Not Applicable]
- (o) Strike Price: [[●]/Not Applicable]
- (p) Base Price: [[●]/Not Applicable/As specified in item 18(xvi) of “Index Linked Interest Note Provisions” above]
- (q) Base Price Fixing Date: [[●]/Not Applicable]
- [(Paragraph [(I)/(II)/(III)] of the definition of “Base Price Fixing Date” in Additional Condition 1.2 shall apply]
- [As specified in item 18(xvii) of “Index Linked Interest Note Provisions” above]
- (r) Base Price Valuation Cut-Off Date: [●]/[Paragraph (ii) of the definition of “Base Price Valuation Cut-Off Date” in Additional Condition 1.2 shall apply]/[As specified in item 18(xviii) of “Index Linked Interest Note Provisions” above]
- (s) Correction Publication Cut-Off Date: [Applicable/Not Applicable]
- [The immediately following business day of the original date of publication/[●]]
- (t) Additional Disruption Events: Change in Law is [Applicable/Not Applicable]
- Hedging Disruption is [Applicable/Not Applicable]
- Increased Cost of Hedging is [Applicable/Not Applicable]

24. Early Redemption Amount

Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[•] per Calculation Amount]/[Early Redemption (Market Value) is applicable/not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(i) Form: [Bearer Notes: [Temporary Global Note exchangeable for [a Permanent Global Note which is exchangeable for Definitive Notes [on [•] days' notice given at any time/only upon an Exchange Event]]/Definitive Notes on and after the Exchange Date]/[Permanent Global Note exchangeable for Definitive Notes [on [•] days' notice given at any time/only upon an Exchange Event]].]

[Global Registered Note exchangeable for definitive Registered Notes [on [•] days' notice given at any time/only upon the occurrence of an Exchange Event]/[Definitive Registered Notes].]

(ii) New Global Note: [Yes/No/Not Applicable]

26. Additional Financial Centre(s): [Not Applicable/[•]]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes. The Talons mature on [•]/No]

28. Details relating to Instalment Notes: [Applicable/Not Applicable]

(i) Instalment Amount(s): [Not Applicable/[•]]

(ii) Instalment Date(s): [Not Applicable/[•]]

29. Additional Renminbi Clearing Financial Centre(s): [Not Applicable/[•]]

30. Calculation Agent: [Principal Paying Agent/[•]/Not Applicable]

SIGNATURE[S]

Signed on behalf of [Hitachi Capital Corporation/Hitachi Capital (UK) PLC/Hitachi Capital America Corp.]:

By: [By:
Duly authorised Duly authorised]

[Signed on behalf of Hitachi Capital Corporation:

By:
Duly authorised]

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application [will be/has been] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to the official list of the FCA with effect from [the Issue Date/[•]]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

[The Notes to be issued have not been rated.]/[The Notes to be issued have been rated:

[S&P Global Ratings Japan Inc. ("S&P Japan")]: [•]. S&P Japan is not established in the EEA or the UK and is neither certified nor registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "CRA Regulation"). However, ratings issued by S&P Japan are endorsed by S&P Global Ratings Europe Limited, which is established in the EEA and registered under the CRA Regulation.]

[Rating and Investment Information, Inc.: [•]]

[Japan Credit Rating Agency, Ltd. ("JCR")]: [•]. JCR is not established in the EEA or the UK but is certified under Regulation (EC) No 1060/2009 on credit rating agencies, as amended.]

3. REASONS FOR THE OFFER AND USE OF PROCEEDS

[The net proceeds from the issue of the Notes will be applied by the Issuer for [the general corporate purposes of the Issuer which include making a profit.]/[financing or refinancing, in whole or in part, the Eligible Project Portfolio, which comprises a portfolio of projects meeting the eligibility criteria set out in the Green Finance Framework, as published on HCUK's website and updated from time to time.]/[applicable to issuances by HCUK only]/[•]]

4. TOTAL NET PROCEEDS AND ESTIMATE OF THE TOTAL EXPENSES OF THE ISSUE/OFFER

- (i) Total net proceeds: [•]
- (ii) Estimate of the total expenses of the issue/offer: [•]

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Manager[s]/Dealer[s]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

6. [THIRD PARTY INFORMATION]

[•] has been extracted from [•]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as [it/each of them] is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

7. YIELD (Fixed Rate Notes only)

Indication of yield: [•]

8. **DESCRIPTION AND PERFORMANCE OF INDEX** (*Index-Linked or other variable-linked Notes only*)

[Details of the past and future performance and volatility of the [Index/Basket of Indices] are set out below:
[•]/Not Applicable]

9. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]

(iv) Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[•]]

(v) Intended to be held in a manner which would allow eligibility for collateral purposes in credit operations of the central banking system for the Euro (the “Eurosystem”): [Not Applicable]

[Yes. Note that the designation “yes” means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper *[insert for Registered Notes which are to be held under the NSS:]*, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper *[insert for Registered Notes which are to be held under the NSS:]*, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

10. **DISTRIBUTION**

(i) Prohibition of Sales to EEA and UK Retail Investors: [Applicable]/[Not Applicable]

(If the Notes clearly do not constitute “packaged” products, or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “key information document” will be prepared,

“Applicable” should be specified.)

- (ii) U.S. selling restrictions: [Regulation S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (iii) Prohibition of Sales to Belgian Consumers: [Applicable]/[Not Applicable]
- (iv) If syndicated, names of Managers: [Not Applicable/[•]]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/[•]]
- (vii) Additional selling restrictions: [Not Applicable/[•]]

11. **POST-ISSUANCE INFORMATION** *(Index-Linked or other variable-linked Notes only)*

[The Issuer [intends to provide post-issuance information/does not intend to provide post-issuance information].]

12. **BENCHMARK REGULATION**

[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in [the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation]/[[either of][the Benchmark Administrator Register] [or][the Third Country Benchmarks Register] of the UK Benchmarks Register established and maintained by the FCA]. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence).]/[Not Applicable]

FORM OF THE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement for use in connection with Exempt Notes issued by HC or HCA under the Programme. This pro forma is subject to completion and amendment to set out the terms upon which each Tranche of Exempt Notes is to be issued. N.B. Exempt Notes issued by HCA must at all times have a minimum denomination of €100,000 (or its equivalent in other Specified Currencies) and be in multiples of €100,000 thereafter.

Pricing Supplement dated [Date]

No prospectus is required in accordance with Regulation (EU) 2017/1129 (as amended or superseded) for this issue of Notes. The Financial Conduct Authority, in its capacity as competent authority under the Financial Services and Markets Act 2000, has neither approved nor reviewed the information contained in this Pricing Supplement.

HITACHI CAPITAL CORPORATION

Legal Entity Identifier (LEI): 353800YUHF3P4VZ74A67

HITACHI CAPITAL AMERICA CORP.

Legal Entity Identifier (LEI): SAG6K2J487EOB0C5BI47

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by Hitachi Capital Corporation]

under the
U.S.\$ 5,500,000,000
EURO NOTE PROGRAMME

PART A - CONTRACTUAL TERMS

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“**EEA**”) OR IN THE UNITED KINGDOM (THE “**UK**”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

(A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED (“**MIFID II**”);

(B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (THE “**INSURANCE DISTRIBUTION DIRECTIVE**”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR

(C) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129, AS AMENDED OR SUPERSEDED.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “**PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UK MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET

SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER[’S/S’] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND
- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A “**DISTRIBUTOR**”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER[’S/S’] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER[’S/S’] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE “SFA”) – [INSERT NOTICE IF CLASSIFICATION OF THE NOTES IS NOT “PRESCRIBED CAPITAL MARKETS PRODUCTS”, PURSUANT TO SECTION 309B OF THE SFA].]²

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated 17 December 2020. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular [and the supplement[s] thereto dated []]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. Copies of the Offering Circular [and the supplements thereto] may be obtained during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying Agent in London. In addition, copies of the Offering Circular [and the supplements thereto] will be published on the website of the Regulatory News Service operated by the London Stock Exchange, and will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date], which are incorporated by reference in the Offering Circular dated 17 December 2020. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular dated 17 December 2020 [and the supplement[s] thereto dated []]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular dated 17 December 2020 [as so supplemented]. Copies of such Offering Circular [and the supplement[s] thereto] may be obtained during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying Agent in London. In addition, copies of the Offering Circular [and the supplements thereto] will be published on the website of the Regulatory News Service operated by the London Stock Exchange, and will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).]

- | | | |
|----|--|---|
| 1. | [(i)] Issuer: | [Hitachi Capital Corporation/Hitachi Capital America Corp.] |
| | [(ii)] Guarantor: | Hitachi Capital Corporation] |
| 2. | (i) Series Number: | [•] |
| | (ii) Tranche Number: | [•] |
| | [(iii)] Date on which the Notes become fungible: | [Not Applicable/[•]] |
| 3. | Specified Currency [or Currencies]: | [•] |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | [•] |

² Legend to be included on the front of the Pricing Supplement if the Notes sold into Singapore do not constitute “prescribed capital markets products” as defined under the CMP Regulations 2018.

- | | | |
|-----|---|---|
| | (ii) Tranche: | [•] |
| 5. | Issue Price: | [•] |
| 6. | (i) Specified Denomination(s): | [•] |
| | (ii) Calculation Amount: | [•] |
| 7. | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [•] |
| 8. | Maturity Date: | [•] |
| 9. | Interest Basis: | [[•] per cent. Fixed Rate]
[[•] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency Interest]
[Index Linked Interest] |
| 10. | Redemption/Payment Basis: | [Redemption at par]
[Dual Currency Redemption]
[Instalment]
[Index Linked Redemption] |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | [Applicable/Not Applicable] |
| 12. | Put/Call Options: | [Not Applicable] [Investor Put] [Issuer Call] |
| 13. | Date of Board Resolutions: | [•] [and [•] respectively] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-------------------------------------|--|
| 14. | Fixed Rate Note Provisions | [Applicable/Not Applicable] |
| | (i) Rate(s) of Interest: | [•] per cent. per annum payable on each Interest Payment Date [adjusted in accordance with the Interest Ratchet] |
| | (ii) Step Up Event/Step Down Event: | [Yes/No] |
| | (iii) Step Up Margin: | [Not Applicable/[•] per cent. per annum] |
| | (iv) Interest Payment Date(s): | [•] |
| | (v) Fixed Coupon Amount(s): | [•] per Calculation Amount |
| | (vi) Broken Amount(s): | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] |

(vii)	Fixed Day Count Fraction:	[Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed)]
(viii)	[Determination Dates:	[•] in each year]
(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/[•]]
15.	Floating Rate Note Provisions	[Applicable/Not Applicable]
(i)	Specified Period(s)/Specified Interest Payment Dates:	[[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
(ii)	First Interest Payment Date:	[•]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	Additional Business Centre(s):	[•]
(v)	Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination/ [•]]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Principal Paying Agent/[•]]
(vii)	Screen Rate Determination:	[Applicable/Not Applicable]
(a)	Reference Rate:	[EURIBOR/ LIBOR/ BBSW/ BKBM/ CAD BACDOR/ CDOR/ CMS / CNH HIBOR/ Compounded Daily SONIA/ HIBOR/ NDBB/ NIBOR/ SOFR/ SONIA/ SORF/ STIBOR/ TIBOR]
(b)	Interest Determination Date(s):	[[•]/[as per the Conditions]]
(c)	Observation Look-Back Period:	[•]/[Not Applicable]
(d)	Relevant Screen Page:	[•]
(e)	Relevant Time:	[•] in the Relevant Financial Centre
(f)	Relevant Financial Centre:	[London/ Brussels/ Sydney/ Auckland/ Toronto/ Hong Kong/ Oslo/ New York/ Singapore/ Stockholm/ Tokyo/ Wellington/ [•]]
(g)	Designated Maturity:	[•]
(viii)	ISDA Determination:	[Applicable/Not Applicable]
(a)	Floating Rate Option:	[•]
(b)	Designated Maturity:	[•]
(c)	Reset Date:	[•]
(ix)	Linear Interpolation:	[Not Applicable]/[Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be

		calculated using Linear Interpolation.]
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Interest Rate:	[•] per cent. per annum
(xii)	Maximum Interest Rate:	[•] per cent. per annum
(xiii)	Day Count Fraction:	[Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Not Applicable/[•]]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i)	Accrual Yield:	[•] per cent. per annum
(ii)	Reference Price:	[•]
(iii)	Any other formula/basis of determining amount payable:	[Not Applicable/[•]]
(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(e)(iii) and 6(j) apply]
17.	Dual Currency Interest Note Provisions	[Applicable/Not Applicable]
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[•]
(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[•]
(iii)	Person at whose option Specified Currency(ies) is/are payable:	[•]
18.	Index Linked Interest Note Provisions	[Applicable/Not Applicable]
(i)	Index/Basket of Indices/Index Sponsor/Reference Source:	<p>[The “Index” means [•]]</p> <p>[The Index is a Unitary Index/Multi-Exchange Index]</p> <p>[The Index Sponsor for the Index is [•]]</p> <p>[The Index Currency for the Index is [•]]</p> <p>[The Reference Source for the Index is [•]]</p>
(ii)	Index Linked Interest Formula:	<p>Additional Condition 1.3 [(A)/(B)][(I)/(II)] shall apply</p> <p>[For the purpose of each item of the Index Linked Interest Formula, [(x)/(y)] shall apply] [the applicable</p>

		Interest Amount shall be [•]]
(iii)	Specified Period(s)/Specified Interest Period End Date(s):	[[•] in each year from and including [•] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/subject to no adjustment]/[•]/[same as Specified Interest Payment Date(s)]]
(iv)	Specified Interest Payment Dates:	[[•] in each year from and including [•] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/[•]]]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(vi)	Additional Financial Centre(s) relating to Business Days:	[•]/[Not Applicable]
(vii)	Minimum Rate/Amount of Interest:	[[•] per cent. per annum/Not Applicable]
(viii)	Medium Rate/Amount of Interest:	[[•] per cent. per annum/Not Applicable]
(ix)	Maximum Rate/Amount of Interest:	[[•] per cent. per annum/Not Applicable]
(x)	Day Count Fraction:	[Actual/Actual (ISDA) / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
(xi)	Exchange(s):	[•]
(xii)	Related Exchange:	[[•]/All Exchanges] [(Paragraph [(I)/(II)] of the definition of “Related Exchange” in Additional Condition 1.2 shall apply)]
(xiii)	Valuation Date(s):	[•] [(Paragraph [(b)(i)/(b)(ii)] of the definition of “Valuation Date” in Additional Condition 1.2 shall apply)]
(xiv)	Valuation Cut-Off Date(s):	[•]/[Paragraph (ii) of the definition of “Valuation Cut-Off Date” in Additional Condition 1.2 shall apply]
(xv)	Barrier Level:	[[•]/Barrier Level 1: [•]; Barrier Level 2: [•] / Not Applicable]
(xvi)	Base Price:	[As defined in Additional Condition 1.2 /Not Applicable]
(xvii)	Base Price Fixing Date:	[[•]/Not Applicable] [(Paragraph [(I)/(II)/(III)] of the definition of “Base Price Fixing Date” in Additional Condition 1.2 shall apply)]
(xviii)	Base Price Valuation Cut-Off Date:	[•]/[Paragraph (ii) of the definition of “Base Price Valuation Cut-Off Date” in Additional Condition 1.2]

shall apply]

- (xix) Correction Publication Cut-Off Date: [Applicable/Not Applicable]
- [The immediately following business day of the original date of publication/[•]]
- (xx) Additional Disruption Events: Change in Law is [Applicable/Not Applicable]
- Hedging Disruption is [Applicable/Not Applicable]
- Increased Cost of Hedging is [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19. **Notice periods for Condition 6(b) (*Redemption and Purchase — Redemption for Tax Reasons*):** [As set out in Condition 6(b)/Minimum period: [•] days; Maximum period: [•] days]
20. **Issuer Call:** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- Par Redemption Date: [•]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount]/[Make-Whole Redemption Amount (Sterling)]/[Make-Whole Redemption Amount (Non-Sterling)]/[Par Redemption Amount]
- (iii) Reference Bond: [•]
- (iv) Redemption Margin: [•]
- (v) Quotation Time: [•]
- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (vii) Notice period: [Minimum period: [•] days; Maximum period: [•] days]
21. **Investor Put:** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [•]
- (iii) Notice period: [Minimum period: [•] days; Maximum period: [•] days]
22. **Final Redemption Amount:** [•] per Calculation Amount
23. **Index Linked Redemption Notes:** [Applicable/Not Applicable]

- (i) Index Linked Automatic Early Redemption: [Applicable/Not Applicable]
- [For the purpose of the Automatic Early Redemption Event, Additional Condition 1.4(a)[(i)(x)/(i)(y)/(ii)(x)/(ii)(y)] shall apply]
- (ii) Index Linked Final Redemption:
- (a) Index/Basket of Indices/Index Sponsor(s)/Reference Source: [The “Index” means [●]]
- [The Index is a Unitary Index/Multi-Exchange Index]
- [The Index Sponsor for the Index is [●]]
- [The Index Currency for the Index is [●]]
- [The Reference Source for the Index is [●]]
- [As specified in item 18(i) in “Index Linked Interest Note Provisions” above]
- (b) Index Linked Redemption Formula: Additional Condition 1.4(b)[(I)/(II)/(III)/(IV)] shall apply
- [For the purpose of each item in the Index Linked Redemption Formula, [(x)/(y)] shall apply]
- (c) Automatic Early Redemption Amount: [●] per Calculation Amount
- (d) Automatic Early Redemption Date(s): [●]
- (e) Automatic Early Redemption Valuation Date(s): [●]
- (f) Rounding (Index Performance): [[Rounded down/Rounded up/Rounded to the [nearest [whole number [(with 0.5 being rounded up)]]]/[nearest [●] decimal places [(with [half of such number of decimal places] being rounded up)]]]]]
- [Rounding Not Applicable]
- (g) Exchange(s): [[●]/As specified in item 18(xi) of “Index Linked Interest Note Provisions” above]
- (h) Related Exchange: [[●]/All Exchanges/As specified in item 18(xii) of “Index Linked Interest Note Provisions” above]
- (i) Valuation Date(s): [[●]/As specified in item 18(xiii) of “Index Linked Interest Note Provisions” above]
- (j) Valuation Cut-Off Date: [●]/[Paragraph (ii) of the definition of “Valuation Cut-Off Date” in Additional Condition 1.2 shall apply]/[As specified in item 18(xiv) of “Index Linked Interest Note Provisions” above]
- (k) Observation Period: [Applicable/Not Applicable]

- (i) Observation Period Start Date: [[Including/Excluding] [●]/Not Applicable]
- (ii) Observation Period End Date: [[Including/Excluding] [●]/Not Applicable]
- (l) Barrier Event: [Not Applicable/Barrier Event (intraday), Early Closure [applicable/not applicable]/Barrier Event (closing)]
- [For the purpose of the definition of the Barrier Event Determination Day, [(a)(i)/(a)(ii)/(b)] shall apply]
- [For the purpose of definition of the Barrier Event (closing), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]
- [For the purpose of definition of the Barrier Event (intraday), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]
- (m) Barrier Level: [[●]/Not Applicable]
- (n) Knock-out Price: [[●]/Not Applicable]
- (o) Strike Price: [[●]/Not Applicable]
- (p) Base Price: [[●]/Not Applicable/As specified in item 18(xvi) of “Index Linked Interest Note Provisions” above]
- (q) Base Price Fixing Date: [[●]/Not Applicable]
- [(Paragraph [(I)/(II)/(III)] of the definition of “Base Price Fixing Date” in Additional Condition 1.2 shall apply]
- [As specified in item 18(xvii) of “Index Linked Interest Note Provisions” above]
- (r) Base Price Valuation Cut-Off Date: [●]/[Paragraph (ii) of the definition of “Base Price Valuation Cut-Off Date” in Additional Condition 1.2 shall apply] / [As specified in item 18(xviii) of “Index Linked Interest Note Provisions” above]
- (s) Correction Publication Cut-Off Date: [Applicable/Not Applicable]
- [The immediately following business day of the original date of publication/[●]]
- (t) Additional Disruption Events: Change in Law is [Applicable/Not Applicable]
- Hedging Disruption is [Applicable/Not Applicable]
- Increased Cost of Hedging is [Applicable/Not Applicable]

24. Early Redemption Amount

Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[[●] per Calculation Amount]/[Early Redemption (Market Value) is applicable/not applicable]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

- (i) Form: [Bearer Notes: [Temporary Global Note exchangeable for [a Permanent Global Note which is exchangeable for Definitive Notes [on [•] days' notice given at any time/only upon an Exchange Event]]/Definitive Notes on and after the Exchange Date]/[Permanent Global Note exchangeable for Definitive Notes [on [•] days' notice given at any time/only upon an Exchange Event]].]
- [Global Registered Note exchangeable for definitive Registered Notes [on [•] days' notice given at any time/only upon the occurrence of an Exchange Event]/[Definitive Registered Notes].]
- (ii) New Global Note: [Yes/No/Not Applicable]

26. Additional Financial Centre(s) or other special provisions relating to payment dates: [•]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]

28. Amount of each payment comprising the Issue Price: [Not Applicable/[•]]

29. Date on which each payment is to be made: [Not Applicable/[•]]

30. Consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/[•]]

31. Details relating to Instalment Notes: [Applicable/Not Applicable]

(i) Instalment Amount(s): [Not Applicable/[•]]

(ii) Instalment Date(s): [Not Applicable/[•]]

32. Additional Renminbi Clearing Financial Centre(s): [Not Applicable/[•]]

33. Calculation Agent: [Principal Paying Agent/[•]/Not Applicable]

34. Other final terms: [Not Applicable/[•]]

SIGNATURE[S]

Signed on behalf of [Hitachi Capital Corporation/Hitachi Capital America Corp.]:

By: [By:
Duly authorised *Duly authorised*

[Signed on behalf of Hitachi Capital Corporation:

By:
Duly authorised]

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[The Notes to be issued are unlisted.]

[(i) Listing and admission to [•]
trading:

(ii) Estimate of total expenses [•]
related to admission to trading:

2. RATINGS

[The Notes to be issued have not been rated.]/[The Notes to be issued have been rated:

[S&P Global Ratings Japan Inc.: [•]]

[Rating and Investment Information, [•]
Inc.:

[Japan Credit Rating Agency, Ltd.: [•]]]

3. REASONS FOR THE OFFER AND USE OF PROCEEDS

[The net proceeds from the issue of the Notes will be applied by the Issuer for the general corporate purposes of the Issuer which include making a profit.]/[•]]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Manager[s]/Dealer[s]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

5. [THIRD PARTY INFORMATION

[•] has been extracted from [•]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as [it/each of them] is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

6. YIELD (*Fixed Rate Notes only*)

Indication of yield: [•]

7. DESCRIPTION AND PERFORMANCE OF INDEX (*Index-Linked or other variable-linked Notes only*)

[Details of the past and future performance and volatility of the [Index/Basket of Indices] are set out below: [•]/Not Applicable]

8. OPERATIONAL INFORMATION

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) Any clearing system(s) other [Not Applicable/[•]]
than Euroclear Bank SA/NV
and Clearstream Banking S.A.
and the relevant identification

number(s):

- (iv) Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[•]]
- (v) Intended to be held in a manner which would allow eligibility for collateral purposes in credit operations of the central banking system for the Euro (the “Eurosystem”): [Not Applicable]
- [Yes. Note that the designation “yes” means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper *[insert for Registered Notes which are to be held under the NSS:]*, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper *[insert for Registered Notes which are to be held under the NSS:]*, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

9. DISTRIBUTION

- (i) Prohibition of Sales to EEA and UK Retail Investors [Applicable]/[Not Applicable]
- (If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “key information document” will be prepared, “Applicable” should be specified)*
- (ii) Prohibition of Sales to Belgian Consumers: [Applicable]/[Not Applicable]
- (iii) Method of syndication: [Syndicated/Non-syndicated]
- (iv) If syndicated:
- (a) Names of Managers: [Not Applicable/[•]]
- (b) Date of Syndication Agreement: [Not Applicable/[•]]
- (c) Stabilising Manager(s) (if any): [Not Applicable/[•]]
- (v) If non-syndicated, name of [Not Applicable/[•]]

relevant Dealer:

(vi) U.S. selling restrictions: [Regulation S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

(vii) Additional selling restrictions: [Not Applicable/[•]]

10. **POST-ISSUANCE INFORMATION** (*Index-Linked or other variable-linked Notes only*)

[The Issuer [intends to provide post-issuance information/does not intend to provide post-issuance information].]

11. **BENCHMARK REGULATION**

[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in [the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation]/[[either of][the Benchmark Administrator Register] [or][the Third Country Benchmarks Register] of the UK Benchmarks Register established and maintained by the FCA]. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence).]]/[Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and which will be endorsed on or attached to (or, if permitted by the relevant stock exchange or other relevant authority (if any) and agreed between the relevant Issuer and the relevant Dealer, incorporated by reference into) each definitive Note. The applicable Final Terms or Pricing Supplement in relation to any Tranche of Notes will (in the case of Final Terms) complete or (in the case of a Pricing Supplement) complete, amend and/or replace the following Terms and Conditions for the purpose of such Notes.

The relevant sections of the applicable Final Terms or Pricing Supplement will be incorporated into, or attached to, each global Note and definitive Note. Reference should be made to “Form of the Final Terms” or “Form of Pricing Supplement” above for the form of the Final Terms and Pricing Supplement which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a series of Notes issued by the issuer named in the applicable Final Terms (the “**Issuer**”) pursuant to, and with the benefit of, an amended and restated agency agreement dated 17 December 2020 (such agency agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made among Hitachi Capital Corporation (“**HC**”, references to which shall include any successor in business to HC), Hitachi Capital (UK) PLC (“**HCUK**”) and Hitachi Capital America Corp. (“**HCA**”) as issuers, HC as guarantor of Notes issued by HCUK and HCA (in such capacity, the “**Guarantor**”, references to which shall include any successor in business to HC) and HSBC Bank plc as principal paying agent and agent bank (in such capacity, the “**Principal Paying Agent**”, which expression shall include any other successor principal paying agent), HSBC Bank plc as registrar (in such capacity, the “**Registrar**”, which expression shall include any other successor registrar) and the other paying agents (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents) and transfer agents (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents) named therein.

The final terms applicable to this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms endorsed on, attached to or, as the case may be, incorporated in this Note which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or, to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (the “**Deed of Covenant**”) dated 17 December 2020 and executed by the Issuer and (in the case of Notes issued by HCUK and HCA) the deed of guarantee (the “**Guarantee**”) dated 17 December 2020 and executed by the Guarantor. For the avoidance of doubt, if the Merger (as defined in Condition 9) is implemented, then MUL (as defined in Condition 9) will assume the obligations of HC as guarantor in respect of Notes issued by HCUK and HCA, and accordingly references in these Terms and Conditions of the Notes to the “Guarantor” and the “Guarantee” shall, with effect from the effective date of the Merger, refer to MUL and the guarantee of MUL as successor in business to HC, respectively.

Registered Notes (as defined below) are constituted by the Deed of Covenant. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below) and the original of the Guarantee is held by the Principal Paying Agent at its specified office for the time being.

The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of all the provisions of the Deed of Covenant, the Agency Agreement, the Guarantee and the applicable Final Terms which are binding on them.

Copies of the Agency Agreement, the Deed of Covenant and the Guarantee are available at the specified office of the Principal Paying Agent. Copies of the applicable Final Terms are available for viewing and copies may be obtained from the registered office of the Issuer and the specified office of the Principal Paying Agent save that, if this Note is neither admitted to trading on a regulated market in the United Kingdom (“**UK**”) or the European Economic Area (the “**EEA**”) nor offered in the UK or the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation (including Exempt Notes), the applicable Final Terms will only be available to a Noteholder holding one or more such Notes upon such Noteholder producing evidence as to identity satisfactory to the Principal Paying Agent. Copies of each Final Terms relating to Notes offered to the public in the UK or the EEA (other than pursuant to one or more of the exemptions set out in Article 3(2) of the Prospectus Regulation) or admitted to trading on a regulated market in the UK or the EEA will be published on the website of the Regulatory News Service operated

by the London Stock Exchange. Such Final Terms will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).

References herein to:

- (i) **“Agents”** means the Principal Paying Agent, the Registrar, the Paying Agents and the Transfer Agents, as the context permits;
- (ii) the **“applicable Final Terms”** means the Final Terms (or the relevant provisions thereof) attached hereto or incorporated herein **provided that**, in the case of (i) a Tranche of Exempt Notes which is the subject of a pricing supplement (a **“Pricing Supplement”**) or (ii) a Tranche of Notes which is the subject of a separate prospectus specific to that Tranche of Notes (a **“Drawdown Prospectus”**), each reference to Final Terms or to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to the Pricing Supplement or Drawdown Prospectus or to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise;
- (iii) **“Couponholders”** means the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons and references to **“Coupons”** shall, unless the context otherwise requires, be deemed to include a reference to Talons;
- (iv) **“Euroclear”** means Euroclear Bank SA/NV and **“Clearstream, Luxembourg”** means Clearstream Banking S.A. and references to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Paying Agent or Registrar, as the case may be, and specified in the applicable Final Terms;
- (v) **“Exempt Notes”** means Notes issued by HC or HCA for which no prospectus is required to be published under the Prospectus Regulation;
- (vi) **“Notes”** means the Notes of this Series and (1) any global Note, (2) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, and (3) any definitive Note (whether or not issued in exchange for a global Note) in each case for the time being outstanding, or as the context may require or a specific number of them;
- (vii) **“Noteholders”, “Holders”, “holders” or “holders of Notes”**, in relation to any Notes, mean (1) in the case of Bearer Notes, holders of the Notes, (2) in the case of Registered Notes, the person in whose name such Registered Note is for the time being registered in the Register (as defined herein) (or, in the case of a joint holding, the first named thereof) or (3) in the case of any Notes represented by a global Note, be construed as provided in Condition 1;
- (viii) **“Prospectus Regulation”** means Regulation (EU) 2017/1129, as amended or superseded;
- (ix) **“Receiptholders”** means the holders of the Receipts;
- (x) **“Series”** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (1) expressed to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices; and
- (xi) **“Tranche”** means Notes which are identical in all respects (including as to listing and admission to trading).

Words and expressions defined in the Agency Agreement or used or specified in capitalised terms in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination, Title and Transfer

The Notes may be issued in bearer form (**“Bearer Notes”**) or in registered form (**“Registered Notes”**), as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Bearer Notes in definitive form which are Instalment Notes have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and global Notes do not have Receipts, Coupons or Talons attached on issue.

The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery and title to Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and the Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon or the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership for writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Transfers of Registered Notes

- (a) *Register:* The Issuer will cause the Registrar to maintain a register (the “**Register**”), outside the United Kingdom, on which shall be entered the names and addresses of the holders of Registered Notes and the particulars of Registered Notes held by them and of all transfers of Registered Notes. Each Noteholder shall be entitled to receive only one definitive Registered Note certificate in respect of its entire holding of Registered Notes.
- (b) *Transfers of interests in global Registered Notes:* Transfers of beneficial interests in global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Registered Notes or for a beneficial interest in another global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.
- (c) *Transfers of Definitive Notes in registered form:* Subject as provided in paragraphs (g) (*Close periods*) and (h) (*Regulations concerning transfers and registration*) below, a definitive Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the definitive Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive

Registered Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the relevant Transfer Agent will, within three days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

- (d) *Registration of transfer upon partial redemption:* In the case of a partial redemption of a holding of Registered Notes represented by a single definitive Registered Note, a new definitive Registered Note shall be issued to the holder to reflect the balance of the holding not redeemed. New Definitive Notes in registered form shall only be issued against surrender of the existing Definitive Notes in registered form to the relevant Transfer Agent. In the case of a partial redemption of a holding of Registered Notes represented by a global Note in registered form, the global Note in registered form shall be endorsed to reflect such partial redemption.
- (e) *Delivery of new Definitive Notes in registered form:* Subject as provided above, the Registrar or the relevant Transfer Agent will, within three Business Days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.
- (f) *Costs of registration:* Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (g) *Closed periods:* No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).
- (h) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. **Status of the Notes and Guarantee**

(a) ***Status of the Notes***

The Notes and the Coupons and Receipts, if any, relating to them constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves and (with the exception of obligations in respect of applicable statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

(b) **Status of the Guarantee**

This Condition 2(b) is applicable only in relation to Notes issued by HCUK and HCA. The obligations of the Guarantor under the Guarantee constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

3. **Negative Pledge**

HC will not, so long as any of the Notes (including the Notes issued by HCUK or HCA and guaranteed by HC) remain outstanding (as defined in the Agency Agreement), create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any External Indebtedness upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any External Indebtedness issued by it without at the same time according to the Notes either the same security as is granted to or is outstanding in respect of such External Indebtedness or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement).

Where the Issuer is HCUK, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of the Issuer to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Sterling, or such Securities are denominated in Sterling and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the United Kingdom by or with the authorisation of the issuer thereof, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement).

Where the Issuer is HCA, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of the Issuer to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement).

For the purposes of this Condition 3:

“External Indebtedness” means any indebtedness in the form of or represented by bonds, notes, debentures or other securities which:

- (i) either:
 - (a) are denominated or payable in, or by reference to, or may at the option of the person entitled thereto be or become payable in, or by reference to, a currency or currencies other than Yen; or
 - (b) are denominated or payable in Yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of HC outside Japan; and
- (ii) are not repayable (otherwise than at the option, or due to the default, of HC) within three years from the date of their issue; and
- (iii) are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any over-the-counter securities market outside Japan; and

“Securities” means bonds, debentures, notes or other similar investment securities of the Issuer or any other person which are capable of being listed on any stock exchange.

4. Interest

(a) *Interest on Fixed Rate Notes*

(i) *General*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are Registered Notes in definitive form or represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Registered Notes in definitive form or global Note; or
- (B) in the case of Fixed Rate Notes represented by Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

For Renminbi Notes (as defined in Condition 5(f)) which are Fixed Rate Notes, where the Interest Payment Dates specified in the applicable Final Terms are subject to modification, each Fixed Coupon Amount shall be calculated by multiplying the product of the relevant Rate of Interest and the relevant Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest CNH0.01, CNH0.005 for the case of Renminbi denominated Fixed Rate Notes being rounded upwards.

(ii) *Adjustment of Rate of Interest*

- (A) If a Step Up Event or Step Down Event is specified in the applicable Final Terms, the Rate of Interest applicable to the Notes shall be the Rate of Interest at any time determined in accordance with this Condition 4 (the “**applicable Rate of Interest**”), subject to adjustment in accordance with the Interest Ratchet (each such adjustment, a “**Rate Adjustment**”). Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step Up Event or Step Down Event, as the case may be, until either a further Rate Adjustment becomes effective or to the Maturity Date, as the case may be;
- (B) the Issuer shall cause each Rate Adjustment to be notified to the Principal Paying Agent and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as

possible after the occurrence of the relevant Step Up Event or Step Down Event, as the case may be, but in no event later than the tenth Business Day thereafter; and

- (C) for so long as any of the Notes are outstanding, where the Notes are rated, the Issuer shall use its best efforts to maintain the Minimum Rating Requirement, and following a failure to meet the Minimum Rating Requirement, the Issuer shall use its best efforts to procure the reinstatement of the Minimum Rating Requirement as soon as reasonably practicable thereafter.

(iii) *Definitions*

In these Terms and Conditions:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

- (i) if **“Actual/Actual (ICMA)”** is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if **“30/360”** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (iii) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365.

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“Interest Ratchet” means the following rates of interest:

- (i) upon the occurrence of a Step Up Event, the applicable Rate of Interest (as defined in this Condition 4) plus the Step Up Margin; and

- (ii) upon the occurrence of a Step Down Event, the applicable Rate of Interest (as defined in this Condition 4); and

“**JCR**” means Japan Credit Rating Agency, Ltd., or its Successor;

“**Minimum Rating Requirement**” means that there shall be in existence Ratings equal to or higher than the Specified Threshold from at least two Rating Agencies at any particular time;

“**Rating**” means a rating of the Notes as specified in the applicable Final Terms;

“**Rating Agency**” means JCR, R&I, S&P Japan or any other rating agency generally recognised as such by banks, securities houses and investors operating in the international capital markets and appointed by or on behalf of the Issuer to maintain a Rating but excluding any rating agency providing a Rating on an unsolicited basis;

“**R&I**” means Rating and Investment Information, Inc., or its Successor;

“**S&P Japan**” means S&P Global Ratings Japan Inc., or its Successor;

“**Specified Threshold**” means BBB- in the case of JCR, R&I and S&P Japan, or the equivalent rating level of any other Rating Agency;

“**Step Down Event**” means the reinstatement of the Minimum Rating Requirement following the occurrence of a Step Up Event;

“**Step Up Event**” means a failure to meet the Minimum Rating Requirement at any time, unless:

- (i) the Minimum Rating Requirement has been reinstated by the earlier of (a) 120 days after the date on which the Minimum Rating Requirement was not met or (b) the Interest Payment Date immediately following the relevant failure to meet the Minimum Rating Requirement; or
- (ii) the relevant failure to meet the Minimum Rating Requirement is due to a reason other than a reason related to the Issuer or the Guarantor;

“**Step Up Margin**” has the meaning given in the applicable Final Terms;

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent; and

“**Successor**” means the legal successor to any of the Rating Agencies continuing such Rating Agency’s respective business activity.

(b) ***Interest on Floating Rate Notes***

(i) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention is specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to interest payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London) and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively, (2) in relation to any sum payable in euro a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system (the “**TARGET2 System**”) is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong or an additional financial centre in which a Renminbi clearing bank clears and settles Renminbi (an “**Additional Renminbi Clearing Financial Centre**”) as specified in the Final Terms.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period

will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (ii), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other party specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent or that other party were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of Notes (the “**ISDA Definitions**”), and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on “**LIBOR**” or “**EURIBOR**” for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

- (B) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is not Compounded Daily SONIA or CMS

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is not specified as being Compounded Daily SONIA or CMS, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page);
or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or that other party for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Relevant Time, the Principal Paying Agent and the relevant Issuer shall request each of the Reference Banks to provide the Principal Paying Agent and the relevant Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the relevant Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent and the relevant Issuer with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus

or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent and the relevant Issuer with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent and the relevant Issuer by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any); or, if fewer than two of the Reference Banks provide the Principal Paying Agent and the relevant Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Principal Paying Agent and the relevant Issuer it is quoting to leading banks in the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

The Principal Paying Agent shall not be responsible to the relevant Issuer or to any third party (except in the event of negligence, default, misconduct or bad faith of the Principal Paying Agent) as a result of the Principal Paying Agent having acted in good faith on any quotation given by any Reference Bank which subsequently may be found to be incorrect.

(C) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms on the Interest Determination Date for such Interest Period.

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent or other party as specified in the applicable Final Terms has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 4(c), if applicable) such SONIA reference rate shall be the sum of: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the Notes become due and payable as a result of an Event of Default (as defined under Condition 9), or are otherwise redeemed early on a date other than an Interest Payment Date in accordance with Condition 4, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable or are to be redeemed, as applicable, and the Rate of Interest applicable to such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(D) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is CMS

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS, the Rate of Interest for each Interest Period will, subject as provided below, be determined by the Principal Paying Agent or other party as specified in the applicable Final Terms by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

If the Relevant Screen Page is not available, the Principal Paying Agent and the relevant Issuer shall request each of the CMS Reference Banks to provide the Principal Paying Agent and the relevant issuer with its quotation for the Reference Swap Rate at approximately the Relevant Time on the relevant Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Principal Paying Agent and the relevant Issuer with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest and the lowest quotation (or, in the event of equality, one of the lowest)).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Principal Paying Agent and the relevant Issuer with such quotations, as provided in the preceding paragraph, the CMS Rate shall be determined by the Principal Paying Agent on such commercial basis as considered appropriate by the Principal Paying Agent in its absolute discretion, in accordance with standard market practice.

(iii) *Definitions*

“BBSW” means the Australian Bank Bill Swap Rate;

“BKBM” means the New Zealand Bank Bill Reference Rate;

“CAD BACDOR” means the Canadian Bankers Acceptance Offered Rate;

“CDOR” means the Toronto interbank offered rate;

“CMS” means the Constant Maturity Swap rate;

“**CMS Rate**” means, subject as provided in Condition 4(b)(ii)(D), the applicable swap rate for swap transactions in the relevant Specified Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Principal Paying Agent and the relevant Issuer;

“**CMS Reference Banks**” means (i) where the Specified Currency is euro, the principal office of five leading swap dealers in the Euro-zone inter-bank market, (ii) where the Specified Currency is pounds sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Specified Currency is U.S. dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Specified Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Principal Paying Agent;

“**CNH HIBOR**” means the CNH Hong Kong interbank offered rate;

“**Compounded Daily SONIA**”, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily SONIA reference rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{t-p\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” means, in relation to any Interest Period, the number of calendar days in such Interest Period;

“**do**” means, in relation to any Interest Period, the number of London Banking Days in such Interest Period;

“**i**” means, in relation to any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**ni**” means, in relation to any London Banking Day “i”, the number of calendar days from and including such London Banking Day “i” up to but excluding the following London Banking Day;

“**Observation Period**” means, in relation to an Interest Period, the period from and including the date which is “p” London Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date which is “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” means the whole number specified as the Observation Look-Back Period in the applicable Final Terms, such number representing a number of London Banking Days, or if no such number is specified, five London Banking Days;

“**SONIA_i**” means, in respect of any London Banking Day “i”, a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day;

“**SONIA_{i-pLBD}**” means, in respect of any London Banking Day “i” falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling “p” London Banking Days prior to such London Banking Day “i”;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

“**HIBOR**” means the Hong Kong interbank offered rate;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Interest Determination Date**” shall mean the date specified as such in the relevant Final Terms, or if none is so specified:

- (1) if the Reference Rate is LIBOR, (if the Notes are denominated in GBP) the first day of each Interest Period or (if the Notes are denominated in a currency other than GBP) the second London business day prior to the start of each Interest Period;
- (2) if the Reference Rate is EURIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period;
- (3) if the Reference Rate is BBSW, the first day of each Interest Period;
- (4) if the Reference Rate is BKBM, the first day of each Interest Period;
- (5) if the Reference Rate is CAD BACDOR, the first day of each Interest Period;
- (6) if the Reference Rate is CDOR, the first day of each Interest Period;
- (7) if the Reference Rate is CMS, (if the Notes are denominated in GBP) the first day of each Interest Period, (if the Notes are denominated in euro) the second day on which the TARGET2 System is open prior to the start of each Interest Period, or (if the Notes are denominated in a currency other than GBP or euro) the second business day in the Specified Currency prior to the start of each Interest Period;
- (8) if the Reference Rate is CNH HIBOR, the second day on which Hong Kong is open prior to the start of each Interest Period;
- (9) if the Reference Rate is HIBOR, the first day of each Interest Period;
- (10) if the Reference Rate is NDBB, the first day of each Interest Period;
- (11) if the Reference Rate is NIBOR, the first day of each Interest Period;
- (12) if the Reference Rate is SOFR, the first day of each Interest Period;
- (13) if the Reference Rate is SONIA, the first day of each Interest Period;
- (14) if the Reference Rate is Compounded Daily SONIA, the date falling at the end of the Observation Look-Back Period for each Interest Period;
- (15) if the Reference Rate is SORF, the first day of each Interest Period;

(16) if the Reference Rate is STIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period; and

(17) if the Reference Rate is TIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Tokyo prior to the start of each Interest Period.

“**LIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate for that currency and period displayed on the appropriate page on the information service which publishes that rate;

“**Margin**” has the meaning given in the relevant Final Terms;

“**NDBB**” means the New Zealand Dollar Bank Bills Standard rate;

“**NIBOR**” means the Norwegian interbank offered rate;

“**Reference Banks**” means those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page or, as the case may be, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared;

“**Reference Rate**” shall mean (i) LIBOR, (ii) EURIBOR, (iii) BBSW, (iv) BKBM, (v) CAD BACDOR, (vi) CDOR, (vii) CMS, (viii) CNH HIBOR, (ix) Compounded Daily SONIA, (x) HIBOR, (xi) NDBB, (xii) NIBOR, (xiii) SOFR, (xiv) SONIA, (xv) SORF, (xvi) STIBOR and (xvii) TIBOR, in each case for the relevant currency and for the relevant period, as specified in the relevant Final Terms;

“**Reference Swap Rate**” means:

- (a) where the Specified Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions), with a designated maturity determined by the Principal Paying Agent by reference to standard market practice and/or the ISDA Definitions;
- (b) where the Specified Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating pounds sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (c) where the Specified Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

- (d) where the Specified Currency is any other currency or if the relevant Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms;

“Relevant Financial Centre” shall mean (i) London, in the case of a determination of CMS (where the Relevant Currency is Sterling), Compounded Daily SONIA, LIBOR or SONIA, (ii) Brussels, in the case of a determination of CMS (where the Relevant Currency is euro) or EURIBOR, (iii) Sydney, in the case of a determination of BBSW, (iv) Auckland and Wellington, in the case of a determination of BKBM or NDBB, (v) Toronto, in the case of a determination of CAD BACDOR or CDOR, (vi) Hong Kong, in the case of a determination of CNH HIBOR or HIBOR, (vii) Oslo, in the case of a determination of NIBOR, (viii) New York, in the case of a determination of CMS (where the Relevant Currency is U.S. dollar) or SOFR, (ix) Singapore, in the case of a determination of SORF, (x) Stockholm, in the case of a determination of STIBOR, and (xi) Tokyo, in the case of a determination of TIBOR, as specified in the relevant Final Terms;

“Relevant Time” has the meaning given in the relevant Final Terms;

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time;

“SOFR” means the secured overnight financing rate;

“SONIA” means the sterling overnight index average, or any successor or replacement thereto;

“SORF” means the Association of Banks in Singapore Swap Offer Rate Fixing;

“STIBOR” means the Stockholm interbank offered rate; and

“TIBOR” means the Tokyo interbank offered rate.

(iv) *Benchmark Discontinuation*

This Condition 4(b)(iv) applies only where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

(A) *Independent Adviser*

Notwithstanding Conditions 4(b)(ii)(B), 4(b)(ii)(C) and 4(b)(ii)(D), if a Benchmark Event occurs (as determined by the Issuer) in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(iv)(B)) and, in either case, an Adjustment Spread (if any) (in accordance with Condition 4(b)(iv)(C) and any Benchmark Amendments (in accordance with Condition 4(b)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 4(b)(iv) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(b)(iv)(A).

If (i) the Issuer is unable to appoint an Independent Adviser, or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(iv)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin (if any) or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last

preceding Interest Period, the Margin (if any) or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin (if any) or Maximum or Minimum Rate of Interest relating to the last preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv).

(B) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)).

(C) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate (and in either case, the applicable Adjustment Spread) is determined in accordance with this Condition 4(b)(iv) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, but subject to receipt by the Agents of a certificate signed by authorised signatories of the relevant Issuer pursuant to Condition 4(b)(iv)(E), the Agents shall (at the expense and direction of the relevant Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments and the Agents shall not be liable to any party for any consequences thereof, provided that the Agents shall not be obliged to concur if in the opinion of the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Agents in these Terms and Conditions and/or any documents to which they are a party in any way.

In connection with any such variation in accordance with this Condition 4(b)(iv)(D), the Issuers shall comply with the rules of the London Stock Exchange or any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(iv) will be notified promptly by the relevant Issuer to the Agents and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments (if any).

No later than notifying the Agents of the same, the relevant Issuer shall deliver to the Agents a certificate signed by authorised signatories of the relevant Issuer:

- (A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) where applicable, any Adjustment Spread and (d) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(iv); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Agents' ability to rely on such certificate as aforesaid) be binding on the relevant Issuer, the Agents and the Noteholders.

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 4(b)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii) will continue to apply unless and until a Benchmark Event has occurred and the Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(b)(iv)(E).

(G) *Definitions*

“Adjustment Spread” means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and being the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Issuer determines that no such spread is customarily applied) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (iv) (if the Issuer determines that no such industry standard is recognised or acknowledged) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(b)(iv)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 4(b)(iv)(D);

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will (on or before a specified date) cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (a); or
- (iii) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (a); or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will (on or before a specified date) be prohibited from being used either generally, or in respect of the Notes and (b) the date falling six months prior to the date specified in (a); or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or
- (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 4(b)(iv)(A) and notified in writing to the Agents;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or, if applicable, any other successor or alternative rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier operation of Condition 4(b)(iv)(D);

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is

responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(v) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Principal Paying Agent or such other party specified in the applicable Final Terms (the **“Calculation Agent”**) will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent, if applicable, will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or Calculation Agent will calculate the amount of interest (the **“Interest Amount”**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are Registered Notes in definitive form or are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, the aggregate outstanding nominal amount of the Notes represented by such Registered Notes in definitive form or global Note; or
- (B) in the case of Floating Rate Notes that are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (A) If **“Actual/Actual (ISDA)”** or **“Actual/Actual”** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion

of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (B) If “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (F) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

- (G) if “**30E/360 (ISDA)**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 in which case D₂ will be 30.

(vii) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the relevant Interest Period, **provided, however, that** if there is no rate available for a period of time next shorter or (as the case may be) next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 4(b)(vii), “**Designated Maturity**” means, in relation to Screen Rate Determination, the period designated in the Reference Rate.

(viii) *Notification of Rate of Interest and Interest Amount*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any

such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(ix) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Principal Paying Agent or such other agent as is specified in the applicable Final Terms, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, (if applicable) the Guarantor, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, (if applicable) the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or that other agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Index Linked Interest Notes*

If the applicable Final Terms specify that the Notes are Index Linked Interest Notes the provisions of Additional Condition 1 (*Index Linked Notes*) set out in the Annex to these Terms and Conditions shall apply and the Interest Rate and the Interest Amount per Calculation Amount with respect to the relevant Interest Period shall be determined by the Calculation Agent (i) by applying the applicable rate of interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or (ii) as otherwise specified in these Terms and Conditions, the relevant Additional Conditions and the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the monies payable has been received by the Principal Paying Agent and notice to that effect has been given in accordance with Condition 13 or individually.

5. **Payments**

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and Renminbi will be made at the option of the bearer either by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States;

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque, **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States;
- (iii) payments of the U.S. Dollar Equivalent of the relevant Renminbi amount, determined in accordance with Condition 5(f), will be made by credit or transfer to a U.S. dollar account (or any other account to which U.S. dollar may be credited or transferred) specified by the payee or, at the option of the payee, by a U.S. dollar cheque, **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States; and
- (iv) payments in Renminbi will be made by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 7).

(b) ***Payments in respect of Bearer Notes, Receipts and Coupons***

This Condition 5(b) is only applicable to Bearer Notes.

Payments of principal in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer Note, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes (if issued), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Unmatured Receipts and Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmaturred Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive Bearer Note form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturred Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmaturred Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturred Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive Bearer Note form becoming due and repayable prior to its Maturity Date, all unmaturred Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Notes or Long Maturity Note in definitive Bearer Note form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Bearer Note against presentation or surrender, as the case may be, of such global Bearer Note at the specified office of any Paying Agent outside the United States, subject as provided below. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Note either by such Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a global Bearer Note shall be the only person entitled to receive payments in respect of Notes represented by such global Bearer Note and the Issuer or the Guarantor will be discharged by payment to, or to the order of, the holder of such global Bearer Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Bearer Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or the Guarantor to, or to the order of, the holder of such global Bearer Note. No person other than the holder of such global Bearer Note shall have any claim against the Issuer or the Guarantor in respect of any payments due on that global Bearer Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer and the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment in U.S. dollars of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(c) ***Payments in respect of Registered Notes***

This Condition 5(c) is only applicable to Registered Notes.

Payments of principal (including the final instalment of principal) in respect of definitive Registered Notes will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Registered Note at the specified office of any of the Paying Agents. Such payments will be made in accordance with paragraph (a) above but only by transfer to the Designated Account (as defined below) of the holder (or, in the case of joint holdings, the first named thereof) of the definitive Registered Note appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date for payment.

For these purposes, “**Designated Account**” means the account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (1) in the case of payment in a Specified Currency other than euro and Renminbi, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively), (2) in the case of a payment in euro, any bank which processes payments in euro and (3) in the case of a payment in Renminbi, a bank in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms.

Payments of interest and payments of instalments of principal (other than the final instalment of principal and other than any interest or instalment payments in Renminbi) in respect of definitive Registered Notes will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the relevant Paying Agent is located immediately preceding the relevant due date for payment to the holder (or, in the case of joint holdings, the first named thereof) of the definitive Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date for payment (the “**Record Date**”) at his address shown in the Register at the close of business on the Record Date and at his risk. In the case of interest payments or instalments in Renminbi, and for any other Specified Currency upon application of the holder to the specified office of any Paying Agent not less than three business days in the city where the specified office of the relevant Paying Agent is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a definitive Registered Note, the payment will be made in accordance with paragraph (a) above but only by transfer to a Designated Account on the due date in the manner provided in the second paragraph of this Condition 5(c). Any application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the definitive Registered Note which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each definitive Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such definitive Registered Note as set out in the first sentence of the second paragraph of this Condition 5(c).

So long as the Registered Notes are represented by a global Registered Note and such global Registered Note is held on behalf of a clearing system, the requirement that the relevant global Registered Notes shall be surrendered in order to receive payment shall not apply. Each payment in respect of a global Registered Note will be made in the same manner specified in this Condition 5(c) **provided that** such payments will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which each clearing system for which the relevant global Registered Note is being held is open for business.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of any cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

(d) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation (in the case of Notes held in definitive form only); and
 - (B) each Additional Financial Centre specified in the applicable Final Terms
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified

Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms,

provided, however, that in the case of any payment of any amount in respect of a Note represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, paragraph (i) above shall be disregarded for the purposes of this definition of “Payment Day”.

(e) **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as designed in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

(f) ***Payment of U.S. Dollar Equivalent***

This Condition 5(f) applies to Notes denominated in Renminbi (the “**Renminbi Notes**”).

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or (if applicable) the Guarantor is not able to satisfy payments of principal or interest (in whole or in part) in respect of Renminbi Notes when due in Renminbi, the Issuer or (if applicable) the Guarantor may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Issuer shall no later than 10.00 a.m. (Hong Kong time) on the Rate Calculation Date, (i) notify the Calculation Agent and the Paying Agents, and (ii) notify the Noteholders in accordance with Condition 13 of such determination.

Any payment made in the U.S. Dollar Equivalent of a Renminbi amount under this Condition 5(f) will constitute valid payment, and will not constitute a default in respect of the Renminbi Notes.

For the purposes of these Terms and Conditions, “**U.S. Dollar Equivalent**” of a Renminbi amount means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date.

For this purpose:

“**Governmental Authority**” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or the PRC.

“Illiquidity” means the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers, as a result of which the Issuer or (if applicable) the Guarantor cannot, having used its reasonable endeavours, obtain sufficient Renminbi in order fully to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Renminbi Notes.

“Inconvertibility” means that the Issuer or (if applicable) the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to convert any amount due in respect of the Renminbi Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or, having used its reasonable endeavours, impracticable for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Non-transferability” means that the Issuer or (if applicable) the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to deliver Renminbi (i) between accounts inside Hong Kong or (ii) from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the Issuer or (if applicable) the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or, having used its reasonable endeavours, impracticable for the Issuer or (if applicable) the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation).

“PRC” means the People’s Republic of China.

“Rate Calculation Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and New York City.

“Rate Calculation Date” means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Terms and Conditions.

“Renminbi”, “RMB” or “CNH” means the official currency of the People’s Republic of China.

“Renminbi Dealer” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

“Spot Rate” means, for a Rate Calculation Date, the spot USD/RMB exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNH3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available USD/RMB official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNH=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, (if applicable) the Guarantor, the Agents and all Noteholders, Receiptholders and Couponholders.

6. **Redemption and Purchase**

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at (i) its Final Redemption Amount (or, in the case of Instalment Notes, such number of instalments and such Instalment Amounts) specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms or (ii) in the case of an Index Linked Redemption Note, its Index Linked Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date and in accordance with the provisions of Additional Condition 1 (*Index Linked Notes*) set out in the Annex to these Terms and Conditions.

(b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice (or such other period as is indicated in the applicable Final Terms) to the Noteholders in accordance with Condition 13 and to the Principal Paying Agent and the Registrar (which notices shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or (if applicable) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer (or (if applicable) the Guarantor, as the case may be) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or (if applicable) the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or (if applicable) the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent and the Registrar a certificate signed by two Directors of the Issuer (or (if applicable) a Representative Director of the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or (if applicable) the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms the relevant Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice (or such other period as is indicated in the applicable Final Terms) to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days' notice (or such other period as is indicated in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the Principal Paying Agent and the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at either (i) the Optional Redemption Amount(s) specified in the applicable Final Terms together or (ii) in the case of Index Linked Redemption Notes, at their Early Redemption Amount referred to in paragraph (e) below, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Upon expiry of such notice to the Noteholders, the Issuer shall be bound to redeem the Notes accordingly.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (the **“Redeemed Notes”**) will be selected, in the case of Redeemed Notes represented by definitive Notes, individually by lot, and, in the case of Redeemed Notes represented by a global Note, in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in each case not more than 20 days prior to the date fixed for redemption (such date of selection being hereinafter called the **“Selection Date”**). In the case of Redeemed Notes represented by definitive Bearer Notes, a list of the certificate numbers of such Redeemed Notes and, in the case of Redeemed Notes represented by definitive Registered Notes, the nominal amount of such Redeemed Notes will be published in accordance with Condition 13 not less than 10 days (or such other period as is indicated in the applicable Final Terms) prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, **provided that** such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

For the purpose of this Condition 6(c):

“Gross Redemption Yield” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Independent Financial Adviser on the basis set out by the UK Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields – 3rd edition”, page 5, Section One: Price/Yield Formulae “Conventional Gilts”; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 16 March 2005, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places).

“IFA Selected Bond” means a government security or securities selected by the Independent Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes up to and including the Maturity Date or (if earlier) the Par Redemption Date specified in the applicable Final Terms, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

“Independent Financial Adviser” means an independent financial institution of international repute appointed by the Issuer at its own expense.

“Make-Whole Redemption Amount (Non-Sterling)” means an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and (ii) the sum of the present values of the principal amount outstanding of such Notes to be redeemed and the Remaining Term Interest of such Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin (if applicable), **provided, however, that** if the Optional Redemption Date occurs on or after the Par Redemption Date (if any) specified in the applicable Final Terms, the Make-Whole Redemption Amount (Non-Sterling) will be equal to 100 per cent. of the principal amount outstanding of the Notes to be redeemed.

“Make-Whole Redemption Amount (Sterling)” means an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be

redeemed; and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Independent Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Pricing Supplement on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Independent Financial Adviser, **provided, however, that** if the Optional Redemption Date occurs on or after the Par Redemption Date (if any) specified in the applicable Final Terms, the Make-Whole Redemption Amount (Sterling) will be equal to 100 per cent. of the principal amount outstanding of the Notes to be redeemed.

“Par Redemption Amount” means an amount equal to the principal amount of the Notes or (in case of a partial redemption of Notes) of the Redeemed Notes.

“Optional Redemption Amount” means (i) the Par Redemption Amount, (ii) the Make-Whole Redemption Amount (Sterling) or (iii) the Make-Whole Redemption Amount (Non-Sterling), in each case as specified in the applicable Final Terms.

“Redemption Margin” will be set out in the applicable Final Terms.

“Reference Bond” shall be as set out in the applicable Final Terms or, if no such bond is set out or if such bond is no longer outstanding, the IFA Selected Bond.

“Reference Bond Price” means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Independent Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

“Reference Bond Rate” means, with respect to any date of redemption the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption.

“Reference Date” will be set out in the relevant notice of redemption.

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Independent Financial Adviser, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Independent Financial Adviser by such Reference Government Bond Dealer.

“Remaining Term Interest” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note up to and including the Maturity Date or (if earlier) the Par Redemption Date specified in the applicable Final Terms, determined on the basis of the rate of interest applicable to such Note from (and including) the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6(c).

(d) ***Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 30 nor more than 60 days' notice (or such other period as is indicated in the applicable Final Terms) or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem (subject to, and in accordance with, the terms specified in the applicable Final Terms) such Note on the Optional Redemption Date and at either (i) the Optional Redemption Amount specified in the applicable Final Terms together or (ii) in the case of Index Linked Redemption Notes, at their Early Redemption Amount referred to in paragraph (e) below, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the Note, the holder of the Note must, if this Note is a definitive Note and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) outside the United States and its possessions at any time during the business hours of such Paying Agent or the Registrar,

as the case may be, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar (the “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(d) and, in the case of definitive Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the definitive Registered Note so surrendered is to be redeemed, an address to which a new definitive Registered Note in respect of the balance of such definitive Registered Note is to be sent subject to and in accordance with the relevant provisions of Condition 1.

If this Note is a global Note, held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant global Note to the Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or other notice given by a holder of any Note pursuant to this paragraph (d) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) ***Early Redemption Amounts***

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes and Index Linked Redemption Notes but including Instalment Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount;
- (iii) in the case of Zero Coupon Notes, at an amount (the Amortised Face Amount) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

- (iv) in the case of Index Linked Notes, if Early Redemption (Market Value) is specified in the applicable Final Terms, the Specified Currency amount which is determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of such Notes immediately prior to such early redemption, adjusted to account fully for any reasonable expenses and costs to the Issuer of unwinding any underlying and/or related hedging and funding arrangements (including, without

limitation, any equity or currency options hedging the Issuer's obligations under the Notes) together with accrued interest (if any) thereon.

(f) ***Automatic Early Redemption for Index Linked Redemption Notes***

If the applicable Final Terms specifies that automatic early redemption applies with respect to the Index Linked Redemption Notes, in the case that the Calculation Agent determines, in accordance with Additional Condition 1.4(a) that an Automatic Early Redemption Event occurs, the Notes shall be redeemed at the Automatic Early Redemption Amount as specified in the applicable Final Terms on the Automatic Early Redemption Date.

(g) ***Instalments***

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(h) ***Purchases***

The Issuer, (if applicable) the Guarantor or any of their subsidiaries may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or (if applicable) the Guarantor, surrendered to any Paying Agent for cancellation.

(i) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with (in the case of Bearer Notes) all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with (in the case of Bearer Notes) all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) and cannot be reissued or resold.

(j) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 13 or individually.

7. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or (if applicable) under the Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined below), unless such withholding or deduction is required by law. In such event, the Issuer or

(if applicable) the Guarantor, as the case may be, will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

(a) in cases in which the Issuer is HC:

- (i) to a Noteholder, Receiptholder or Couponholder who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended) (the “**Special Taxation Measures Law**”) and the Order for the Enforcement of the Special Taxation Measures Law of Japan (Cabinet Order No. 43 of 1957, as amended) (the “**Cabinet Order**”) (the “**Designated Financial Institution**”) who complies with the requirement to provide the Exemption Information (as defined below) or to submit a Claim for Exemption (as defined below) and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the relevant Paying Agent or the Issuer of its status as exempt from taxes to be withheld or deducted by the Issuer by reason of such resident of Japan or Japanese corporation receiving interest in respect of the relevant Note, Receipt or Coupon through a payment handling agent in Japan appointed by it);
- (ii) to a Noteholder, Receiptholder or Couponholder (A) who is for Japanese tax purposes treated as an individual non-resident of Japan or a non-Japanese corporation that, in either case, is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law and Article 3-2-2, Paragraphs 5 to 7 of the Cabinet Order or (B) who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of being connected with Japan; in all cases other than a connection by the mere holding of such Note, Receipt or Coupon or by the receipt of principal or interest in respect of any Note, Receipt or Coupon;
- (iii) to a Noteholder, Receiptholder or Couponholder who would otherwise be exempt from any such withholding or deduction but (A) who fails (x) to comply with any applicable requirements to provide the information prescribed by the Special Taxation Measures Law and the Cabinet Order (the “**Exemption Information**”) to enable a participant of an international clearing organisation or a financial intermediary (the “**Participant**”) to establish that such Noteholder, Receiptholder or Couponholder is exempt from the requirements for taxes to be withheld or deducted to the Participant or (y) to submit a claim for exemption from withholding tax (*hikazei tekiyo shinkokusho*) (a “**Claim for Exemption**”) to the Paying Agent to whom the relevant Note, Receipt or Coupon is presented for payment; or (B) whose Exemption Information is not duly communicated through the Participant or the relevant international clearing organisation to such Paying Agent;
- (iv) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

where the interest on such Notes issued by HCUK or HCA is attributable to a business in Japan conducted by such Issuer through its permanent establishment in Japan as provided for in the Special Taxation Measures Law, the consequences relating to the Notes issued by HC in this Condition 7(a)(i) to (iii) are also applicable to the Notes issued by HCUK or HCA; and

(b) in cases in which the Issuer is HCUK:

- (i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes, duties, assessments or governmental charges, in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom; in all cases other than a connection by the mere holding of such Note, Receipt or Coupon or by the receipt of principal or interest in respect of any Note, Receipt or Coupon;
- (ii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

- (iii) in the case of payments made by HCUK, in the United Kingdom; and
- (c) in cases in which the Issuer is HCA:
 - (i) where the tax, duty, assessment or other governmental charge which is imposed would not have been so imposed but for (A) the existence of any present or former connection between such holder (or between a fiduciary, settlor, or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident or treated as a resident thereof or being or having been engaged in a trade or business therein or having had a permanent establishment therein, or (B) such holder's present or former status as a passive foreign investment company with respect to the United States or a controlled foreign corporation or a foreign tax exempt organisation for United States tax purposes or as a corporation which accumulates earnings to avoid United States federal income tax;
 - (ii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day;
 - (iii) on account of any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, duty, assessment or other governmental charge;
 - (iv) where the tax, duty, assessment or other governmental charge which is imposed would not have been so imposed but for the failure to comply with certification, identification or other information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such Note, if such compliance is required by statute or by regulation of the United States as a precondition of relief or exemption from such tax, duty, assessment or other governmental charge;
 - (v) where the tax, duty, assessment or other governmental charge is payable otherwise than by withholding from a payment on a Note;
 - (vi) where the tax, duty, assessment or other governmental charge is imposed on a Noteholder that actually or constructively owns 10 per cent. or more of the total combined voting power of all classes of stock of HCA entitled to vote, within the meaning of section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended, and any regulations thereunder; or
 - (vii) any combination of items (i), (ii), (iii), (iv), (v) or (vi),

nor shall additional amounts be paid to any holder of a Note who is a fiduciary or partnership or other than the sole beneficial owner of the Note, if any, to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, if any, would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner, if any, been the holder of the relevant Note, if any.

For the avoidance of doubt, and the purposes of paragraphs (a), (b) and (c) above, no additional amounts will be paid by HC, HCUK or HCA on account of any deduction or withholding from a payment on, or in respect of, the Notes, Receipts or Coupons where such deduction or withholding is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any regulations or agreements thereunder, official interpretations thereof, or intergovernmental agreement (including any implementing law, regulation or official guidance) with respect thereto.

As used herein:

- (i) **“Tax Jurisdiction”** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by HCUK), the United States or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by HCA) or Japan or any political subdivision or any authority of any jurisdiction thereof or therein having power to tax (in the case of payments by HC or the Guarantor); and

- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. Prescription

The Notes and relating Receipts and Coupons (if any, in the case of Bearer Notes) will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default and Enforcement relating to Notes

If any one or more of the following events (each an “**Event of Default**”) shall have occurred, namely:

- (a) a default is made for a period of more than 14 days in the payment of any principal (whether becoming due upon redemption or otherwise) or payment of interest when due in respect of the Notes;
- (b) a default is made by the Issuer or (if applicable) the Guarantor in the performance or observance of any covenant, condition or provision contained in the Notes or the Guarantee and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of any of the Notes) and such default continues for the period of 30 days next following the service by any Noteholder on the Principal Paying Agent or the Registrar of notice requiring such default to be remedied;
- (c) any other bonds, debentures, notes or other indebtedness for money borrowed of the Issuer or (if applicable) the Guarantor having an aggregate outstanding principal amount of at least U.S.\$20,000,000 (or its equivalent in any other currency or currencies) (hereinafter called “**Indebtedness**”) become or becomes prematurely repayable following a default which shall not have been remedied, or steps are taken to enforce any security therefor, or the Issuer or (if applicable) the Guarantor defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any bonds, debentures, notes or other indebtedness for money borrowed of others given by the Issuer or (if applicable) the Guarantor and having an aggregate outstanding principal amount of at least U.S.\$20,000,000 (or its equivalent as aforesaid) shall not be honoured when due and called upon;
- (d) a resolution is passed or an order of a court of competent jurisdiction is made for the winding-up or dissolution or administration of the Issuer otherwise than for the purposes of or pursuant to and followed by either (i) (where the Issuer is HC) the Merger, or (ii) a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;
- (e) an encumbrancer takes possession or a trustee or a receiver or an administrative receiver is appointed of the whole or a material part of the assets or undertaking of the Issuer;
- (f) a distress, execution or seizure before judgment is levied or enforced upon and sued out against a part of the property of the Issuer which is material in its effect upon the operations of the Issuer and is not discharged within 30 days thereof;
- (g) the Issuer (i) stops payment within the meaning of bankruptcy law of the jurisdiction of its incorporation, or (ii) (otherwise than for the purposes of either (1) (where the Issuer is HC) the Merger, or (2) such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (d)) ceases or through an official action of the Board of Directors of the Issuer threatens to cease to carry on business or (iii) is unable to pay its debts as and when they fall due;
- (h) a decree or order by any court having jurisdiction shall have been issued adjudging the Issuer bankrupt or insolvent, or approving a petition seeking with respect to the Issuer reorganisation, under bankruptcy, composition, reorganisation or insolvency law of the jurisdiction of its incorporation and such decree or order shall have continued undischarged and unstayed for a period of 60 days;

- (i) the Issuer shall initiate or consent to proceedings relating to itself under bankruptcy, composition, reorganisation or insolvency law of the jurisdiction of its incorporation or shall make a conveyance or assignment for the benefit of, or shall enter into any composition with, its creditors generally (other than, in the case of Notes issued by HC, in respect of proceedings against the Issuer under any applicable reorganisation law for the purposes of the Merger);
- (j) in the case of Notes issued by HCUK and HCA, a resolution is passed or an order of a court of competent jurisdiction is made that the Guarantor be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by either (i) the Merger, or (ii) a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;
- (k) in the case of Notes issued by HCUK and HCA, an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Guarantor;
- (l) in the case of Notes issued by HCUK and HCA, a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Guarantor which is material in its effect upon the operations of the Guarantor and is not discharged within 30 days thereof;
- (m) in the case of Notes issued by HCUK and HCA, the Guarantor (i) stops payment (within the meaning of Japanese or any other applicable bankruptcy law) or (ii) (otherwise than for the purposes of either (i) the Merger or (ii) such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (j)) ceases or through an official action of the Board of Directors of the Guarantor threatens to cease to carry on business or (iii) is unable to pay its debts as and when they fall due;
- (n) proceedings shall have been initiated against (in the case of Notes issued by HC) the Issuer or (in the case of Notes issued by HCUK and HCA) the Guarantor under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 60 days (other than (i) in the case of Notes issued by HC, in respect of proceedings against the Issuer under any applicable reorganisation law for the purposes of the Merger, or (ii) in the case of Notes issued by HCUK and HCA, in respect of proceedings against the Guarantor under any applicable reorganisation law for the purposes of the Merger);
- (o) in the case of Notes issued by HCUK and HCA, the Guarantor shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of its creditors generally (other than in respect of proceedings under any applicable reorganisation law for the purposes of the Merger); or
- (p) in the case of Notes issued by HCUK and HCA, for any reason whatsoever the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Noteholder may, by written notice to the Issuer and (if applicable) the Guarantor (with a copy to the Principal Paying Agent and the Registrar for information purposes only), declare such Note held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable at the Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured within five business days of receipt of such written notice by the Issuer and (if applicable) the Guarantor.

For the purpose of paragraph (c) above, any indebtedness for borrowed money which is in a currency other than U.S. dollars shall be translated at the “spot” rate for the sale of the relevant currency against the purchase of U.S. dollars in London as quoted by a leading bank selected by the Principal Paying Agent for this purpose on the day in London on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

For the purpose of this Condition 9, “**Merger**” means the proposal and implementation of a merger, consolidation, amalgamation or business integration (howsoever described) between the Guarantor and Mitsubishi UFJ Lease & Finance Company Limited (which is expected to be named Mitsubishi HC Capital Inc. following the Merger being effected) (“**MUL**”), as described in the announcement issued by HCUK on 23 October 2020 in respect of the Merger, including the relevant sections of “Notice concerning Conclusion of Agreement on Business Integration through Merger between Mitsubishi UFJ Lease and Hitachi Capital” (provided that such merger, consolidation, amalgamation

or business integration is implemented and becomes effective (such that MUL becomes the Guarantor in respect of any Notes issued by HCA or HCUK) by no later than 31 December 2021.

10. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent or the Registrar, as the case may be, may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. The Agents

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer and (if applicable) the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that:**

- (i) there will at all times be a Principal Paying Agent and a Registrar;
- (ii) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority), save to the extent that such requirement is met by virtue of (i) or (iii); and
- (iii) there will at all times be a Paying Agent with a specified office in a principal financial centre in Europe and a Transfer Agent, save to the extent that such requirement is met by virtue of (i) or (ii).

In addition, the Issuer and (if applicable) the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 60 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and (if applicable) the Guarantor and will not assume any obligations or relationships of agency or trust to or with the Noteholders, the Receiptholders and the Couponholders, except that (without affecting the obligations of the Issuer or (if applicable) the Guarantor, as the case may be, to the Noteholders, the Receiptholders and the Couponholders to repay the Notes and to pay interest thereon) funds received by the Agents for the payment of any sums due in respect of the Notes shall be held by them on behalf of the Noteholders, the Receiptholders and the Couponholders until the expiry of the relevant period of prescription under Condition 8. The Agency Agreement contains provisions for the indemnification of the Agents and for their relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and (if applicable) the Guarantor without being liable to account to the Noteholders, the Receiptholders or the Couponholders for any resulting profit.

12. Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13. Notices

All notices regarding the Bearer Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the first date on which publication shall have been made in such newspaper.

All notices regarding the Registered Notes will be deemed to be validly given if sent by (first class) mail or (if posted to an address overseas) by airmail to the holders (or, in the case of a joint holding, the first named thereof) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing.

In addition, for so long as any Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of that competent authority or stock exchange on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of publication or, if published more than once or if required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Until such time as any definitive Notes are issued, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg **provided that**, for so long as such Notes are admitted to trading on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and (other than a notice under Condition 9) given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar, as the case may be, via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons (as applicable) or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, (if applicable) the Guarantor or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes of any Series for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (as applicable) (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons (as applicable)) or certain of the provisions of the Agency Agreement, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders (as applicable).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Principal Paying Agent and/or the Registrar, the Issuer and (if applicable) the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders (as applicable), to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons (as applicable) or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error; or
- (iii) any modification of the Notes, the Receipts, the Coupons (as applicable) or the Agency Agreement to implement any change to an Original Reference Rate and any related Benchmark Amendments pursuant to Condition 4(b)(iv).

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders (as applicable) and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as is practicable thereafter.

15. Substitution

In respect of Notes issued by HCUK or HCA, each of the Guarantor and any of its subsidiaries (each a “**Substitute Obligor**”) may, without the consent of the holders of any such Notes, Receipts or Coupons, assume the obligations of the Issuer (or any previous Substitute Obligor) under and in respect of any Notes upon and subject to:

- (a) the execution of a deed poll (the “**Deed Poll**”) by the Substitute Obligor and (if the Substitute Obligor is not the Guarantor) the Guarantor in a form which gives full effect to such assumption and which includes (without limitation):
 - (i) a covenant by the Substitute Obligor in favour of the holders of the Notes to be bound by these Terms and Conditions, the Notes, the Receipts, the Coupons, the Deed of Covenant and the Agency Agreement, with any consequential amendments, as if it had been named herein and therein as the principal debtor in place of the Issuer, and such other deeds, documents and instruments (if any) in order for the substitution to be fully effective and for the Substitute Obligor to be bound by all of the Issuer’s obligations;
 - (ii) a warranty and representation (A) that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents necessary for such substitution and for the performance by the Substitute Obligor of its obligations under the Deed Poll and under any other documents required to give full effect to the substitution, (B) that all such approvals and consents are in full force and effect, and (C) that the obligations assumed by the Substitute Obligor are valid and binding in accordance with their respective terms and enforceable by each Noteholder; and
 - (iii) an acknowledgment of the right of all Noteholders to the production of the Deed Poll;
- (b) if the Substitute Obligor is not the Guarantor, the execution of a deed of guarantee (the “**Substitute Guarantee**” hereinafter for the purpose of this Condition 15 only) by the Guarantor on substantially the same terms as the Guarantee pursuant to which it undertakes to guarantee the performance of the obligations of the Substitute Obligor under the Deed Poll, the Terms and Conditions of the Notes and any other documents required to give full effect to the substitution;
- (c) the delivery by the Issuer of an opinion of independent legal advisers of recognised standing addressed to the Fiscal Agent to the effect that:
 - (i) the Deed Poll constitutes legal, valid, binding and enforceable obligations of the Substitute Obligor and, if the Substitute Obligor is not the Guarantor, the Guarantor;
 - (ii) the Notes constitute legal, valid, binding and enforceable obligations of the Substitute Obligor;
 - (iii) if the Substitute Obligor is not the Guarantor, the Substitute Guarantee constitutes legal, valid, binding and enforceable obligations of the Guarantor in respect of all sums from time to time payable by the Substitute Obligor in respect of the Notes; and
 - (iv) each of the Substitute Obligor and, if the Substitute Obligor is not the Guarantor, the Guarantor, is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and the

Deed Poll and, if the Substitute Obligor is not the Guarantor, the Substitute Guarantee are within the capacity and power of, and have been duly authorised by, the parties thereto;

- (d) where the Substitute Obligor is subject to a different taxing jurisdiction (the “**Substituted Territory**”) than that to which the Issuer is subject generally (the “**Issuer’s Territory**”), the Substitute Obligor having given an undertaking in terms corresponding to Condition 7 with the substitution for the reference in that Condition to the Issuer’s Territory of references to the Substituted Territory;
- (e) each stock exchange or market on which the Notes are listed or admitted to trading having confirmed that following the proposed substitution the Notes will continue to be listed on such stock exchange;
- (f) where the Substitute Obligor is not an English company, the Substitute Obligor having appointed a process agent with an office in England as its agent in England to receive service of process on its behalf in relation to any suit, action or proceedings arising out of or in connection with the Notes; and
- (g) not later than 14 days after the execution of any such documents as aforesaid in paragraph (a), the Substitute Obligor causing notice thereof to be given to the Noteholders, which notice shall specify where copies of the Deed Poll, any deed of guarantee and any other documents entered into pursuant to Conditions 15(d) and (f) are available for inspection.

Upon the execution of such documents and compliance with the requirements stated in this Condition 15, the Substitute Obligor will be deemed to be named in these Terms and Conditions, the Notes, the Receipts and Coupons as if it had been named herein and therein as the principal debtor in place of the Issuer (or of any previous substitute under this Condition 15) and the Notes, the Receipts and the Coupons will be deemed to be amended in such manner as necessary to give effect to the substitution and any references in the Notes, the Receipts and the Coupons to the Issuer will be references to the Substitute Obligor.

16. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes.

17. **Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

18. **Governing Law and Submission to Jurisdiction**

(a) ***Governing Law***

The Agency Agreement, the Deed of Covenant, the Guarantee, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) ***Submission to jurisdiction***

HC, HCA and (where applicable) the Guarantor irrevocably agree, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts.

HC, HCA and (where applicable) the Guarantor waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons),

against HC, HCA and (where applicable) the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(c) ***Appointment of Process Agent***

HC, HCA and (where applicable) the Guarantor appoint Hitachi Capital (UK) PLC at its registered office at Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department) as their agent for service of process, and each undertakes that, in the event of Hitachi Capital (UK) PLC ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) ***Other documents and the Guarantor***

HC, HCA and (where applicable) the Guarantor have in the Agency Agreement, the Guarantee and the Deed of Covenant, and with regard to any non-contractual obligations arising out of or in connection with them, submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

ANNEX TO THE TERMS AND CONDITIONS OF THE NOTES

Additional Terms and Conditions of the Notes

The following are additional conditions (“**Additional Conditions**”) relating to the Notes:

1. **Index Linked Notes**

1.1 **Interpretation**

Under the Programme, an Index Linked Note shall be an Note where the Interest Rate, automatic early redemption and/or Index Linked Redemption Amount shall be calculated or determined by reference to a single index or a basket of indices, including, without limitation, (i) Notes in respect of which all or any of the interest amounts are linked to a specified index or basket of specified indices, (ii) Notes in respect of which automatic early redemption and/or final redemption are linked to a specified index or basket of specified indices, or (iii) any combination of the foregoing. If the applicable Final Terms provide that the relevant Notes are Index Linked Notes, the terms and conditions applicable to Index Linked Notes are the Terms and Conditions, including the terms and conditions for Index Linked Notes set out in these Additional Conditions (the “**Index Linked Conditions**”), as completed by the applicable Final Terms. In the event of any inconsistency between the Terms and Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail.

1.2 **Definitions**

For the purposes of these Index Linked Conditions:

“**Additional Disruption Event**” means, if so specified in the Final Terms, (i) a Change in Law, (ii) a Hedging Disruption and/or (iii) Increased Cost of Hedging.

“**Automatic Early Redemption Amount**” means the Automatic Early Redemption Amount specified in the applicable Final Terms.

“**Automatic Early Redemption Date**” means each Automatic Early Redemption Date specified in the applicable Final Terms.

“**Automatic Early Redemption Event**” has the meaning given to it in Additional Condition 1.4(a) below.

“**Automatic Early Redemption Valuation Date**” means each Automatic Early Redemption Valuation Date specified in the applicable Final Terms, or if that is not a Scheduled Trading Day or is a Disrupted Day, then the provisions related to a Disrupted Day in the definition “Valuation Date” shall apply as if the relevant Automatic Early Redemption Valuation Date were a Valuation Date.

“**Barrier Event**” shall be either Barrier Event (closing) or Barrier Event (intraday), as specified in the applicable Final Terms.

“**Barrier Event (closing)**” shall be deemed to have occurred if:

- (a) where the Index Linked Notes relate to a single Index, the Calculation Agent determines in its sole and absolute discretion that the Index Level of the Index as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for the Index on such Barrier Event Determination Day.
- (b) where the Index Linked Notes relate to a Basket of Indices, the Calculation Agent determines in its sole and absolute discretion that the Index Level of at least one of the Indices as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for such Index on such Barrier Event Determination Day.

“**Barrier Event (intraday)**” shall be deemed to have occurred if:

- (a) where the Index Linked Notes relate to a single Index, the Calculation Agent determines in its sole and absolute discretion that the Index Level of the Index as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for the Index on such Barrier Event Determination Day.
- (b) where the Index Linked Notes relate to a Basket of Indices, the Calculation Agent determines in its sole and absolute discretion that the Index Level of at least one of the Indices as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for such Index on such Barrier Event Determination Day.

For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in these Index Linked Conditions shall be amended such that (i) all references to “**during the one hour period that ends at the relevant Valuation Time**” shall be deleted, and (ii) if Early Closure is specified to apply in the applicable Final Terms, in the definition of “**Early Closure**” appearing in these Index Linked Conditions, each reference to “**Valuation Time**” and “**Scheduled Closing Time**” shall be construed as a reference to “**Barrier Event Valuation Time (intraday)**”.

“**Barrier Event Determination Day**” means, in respect of each Index and each Observation Period:

- (a) if the applicable Final Terms provide that the Barrier Event (intraday) provisions shall apply, either:
 - (i) each day on which the level of such Index is published and/or disseminated by the Index Sponsor during such Observation Period that is not a Disrupted Day; or
 - (ii) each day on which the level of such Index is published and/or disseminated by the Index Sponsor during such Observation Period, regardless of whether or not such day is a Disrupted Day for such Index (and if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, it shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred),

as specified in the applicable Final Terms; or
- (b) if the applicable Final Terms provide that the Barrier Event (closing) provisions shall apply, each Scheduled Trading Day for such Index during such Observation Period that is not a Disrupted Day for such Index.

“**Barrier Event Valuation Time (closing)**” means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day, as the case may be, in relation to such Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time, then the Barrier Event Valuation Time (closing) shall be such actual closing time; and
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

“**Barrier Event Valuation Time (intraday)**” means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

“**Barrier Level**” means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place, with 0.005 being rounded upwards.

“**Barrier Level 1**” means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

“**Barrier Level 2**” means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

“**Base Price**” means:

- (a) where the Index Linked Notes relate to a single Index, the Index Final on the Base Price Fixing Date as determined by the Calculation Agent and without regard to any subsequently published correction, subject to Condition 1.5; or
- (b) where the Index Linked Notes relate to a Basket of Indices, in respect of each Index, the Index Final on the Base Price Fixing Date as determined by the Calculation Agent and without regard to any subsequently published correction, subject to Condition 1.5.

“**Base Price Fixing Date**” means, either (I), (II) or (III) below, as specified in the applicable Final Terms:

(I)

- (a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, **provided that**, if the initially scheduled Base Price Fixing Date is a Disrupted Day, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of the Index by reference to such sources as it deems appropriate; or
- (b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, **provided that**, if the initially scheduled Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day for each of the Indices, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day in relation to any Index. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day for any Index, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of each of the Indices by reference to such sources as it deems appropriate; or

(II)

- (a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, **provided that**, if the initially scheduled Base Price Fixing Date is a Disrupted Day, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of the Index by reference to such sources as it deems appropriate; or
- (b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, **provided that**, if the initially scheduled Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price Fixing Date for such Index shall be the immediately following Scheduled Trading Day that is not a Disrupted Day for such Index, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day in relation to such Index. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date of such Index, notwithstanding the fact that such day is a Disrupted Day for such Index, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of such Index by reference to such sources as it deems appropriate; or

(III)

- (a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, **provided that**, if the Base Price Fixing Date is a Disrupted Day, the Base Price shall be such level of the Index as of the Valuation Time on the Base Price Fixing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of an event giving rise to a Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Base Price Fixing Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Base Price Fixing Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Base Price Fixing Date); or
- (b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, **provided that**, if the Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price shall be such level of the relevant Index as of the Valuation Time on the Base Price Fixing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the relevant Index last in effect prior to the occurrence of an event giving rise to a Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Base Price Fixing Date of each security comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Base Price Fixing Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Base Price Fixing Date).

“Base Price Valuation Cut-Off Date” means (i) the date specified in the applicable Final Terms or, (ii) if not so specified, the second Scheduled Trading Day immediately following the initially scheduled Base Price Fixing Date.

“Basket” means a basket composed of indices in the relative proportions or number of indices specified in the applicable Final Terms.

“Basket of Indices” means, subject to adjustment in accordance with these Index Linked Conditions, a basket composed of indices in their relative proportions or number of indices, as specified in the applicable Final Terms.

“Change in Law” means that, on or after the Issue Date of the Notes (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (a) it has become illegal to hold, acquire or dispose of one or more Component Securities, or (b) the Calculation Agent or its affiliates will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Common Scheduled Trading Day” means the day which is the Scheduled Trading Day for all of the Indices.

“Component Security” means, in respect of an Index, any share or other component security included in such Index as determined by the Calculation Agent and related expressions shall be construed accordingly.

“Correction Publication Cut-Off Date” means the Correction Publication Cut-Off Date specified in the applicable Final Terms.

“Disrupted Day” means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (**provided that** the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Issuer, (if applicable) the Guarantor and the Principal Paying Agent or the Registrar, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Base Price Fixing Date or a Valuation Date. Without limiting the obligation of the Calculation Agent to notify the parties as set forth in the preceding sentence, failure by the Calculation Agent to notify the parties of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“Early Closure” means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the closure on any Exchange Business Day of the Exchange relating to securities that comprises 20 per cent. or more of the level of the Index or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or the Related Exchange at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on the Exchange or the Related Exchange on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; or (ii) the submission deadline for orders to be entered into on the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange” means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in the securities underlying the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, or any successor thereto or any substitute exchange or quotation system to which trading in such Component Security has temporality relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Component Security on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means:

- (a) where the relevant Index is specified in the applicable Final Terms to be a Unitary Index, any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (b) where the relevant Index is specified in the applicable Final Terms to be a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any event (other than an Early Closure) which, in the discretion of the Calculation Agent, disrupts or

impairs the ability of market participants in general to: (i) effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index on the Exchange; or (ii) effect transactions in, or obtain market values for, futures or options contracts relating to the Index on the Related Exchange; or

- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any event (other than an Early Closure) which, in the discretion of the Calculation Agent, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

“Final Index Final” means the Index Final on the Final Valuation Date.

“Final Valuation Date” means the Valuation Date immediately preceding the Maturity Date.

“Hedging Disruption” means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing, and the Issuer performing its obligations with respect to or in connection with, the Index Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Entity” means any entity (or entities) engaged in any underlying or hedging transactions relating to the Index Linked Notes and/or the Index in respect of the Issuer’s obligations under the Index Linked Notes.

“Increased Cost of Hedging” means that the Issuer or any of its agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Index Linked Notes, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

“Index” and **“Indices”** mean, subject to adjustment in accordance with the Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

“Index Final” means the Index Level as of the Valuation Time on any date, as determined by the Calculation Agent, subject to Additional Conditions 1.5 and 1.6.

“Index Level” means the level of the Index as calculated and announced by the Index Sponsor or with reference to the Reference Source.

“Index Performance” means, in respect of each Index, the figure calculated as: *Final Index Final / Base Price*.

The Index Performance may, if so specified in the applicable Final Terms, be either (x) rounded down, (y) rounded up or (z) rounded, to the nearest whole number or any number of decimal places (in case of (z), with half of such whole number or number of decimal place, as applicable, being rounded up) as specified in the applicable Final Terms.

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

“Knock-out Price” means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

“Market Disruption Event” means:

- (a) in respect of any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in the Index at any time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such Component Security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or
- (b) in respect of any Multi-Exchange Index, either:
 - (i)
 - (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
 - (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of (A) a Trading Disruption, (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if a Share Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of such Component Security, to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security, and (y) the overall level of the Index, (if applicable) using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

“**Maximum Rate**” has the meaning specified in the applicable Final Terms.

“**Medium Rate**” has the meaning specified in the applicable Final Terms.

“**Minimum Rate**” has the meaning specified in the applicable Final Terms.

“**Multi-Exchange Index**” means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Observation Period**” means, in respect of an Index, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

“Observation Period End Date” means, in respect of an Index, each date specified as such in the applicable Final Terms.

“Observation Period Start Date” means, in respect of an Index, each date specified as such in the applicable Final Terms.

“Reference Index” means the Index, the Index Performance of which is lowest of the Indices. If the Index Performances of two or more Indices are the same, the Calculation Agent shall determine the Reference Index in its sole discretion.

“Reference Source” means, in relation to an Index, the source as is specified in the applicable Final Terms.

“Related Exchange” means either (I) or (II) below, as specified in the applicable Final Terms:

- (I) in relation to any Unitary Index or Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), **provided, however, that** where “**All Exchanges**” is specified as the Related Exchange in the applicable Final Terms, “**Related Exchange**” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index; or
- (II) in relation to any Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange); or, in relation to any Multi-Exchange Index, each exchange or quotation system located in the same country as the Exchange (as determined by the Calculation Agent in good faith acting in a commercially reasonable manner) where trading has a material effect (as determined by the Calculation Agent in good faith acting in a commercially reasonable manner) on the overall market for futures or options contracts relating to the Index.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means:

- (a) in respect of any Unitary Index, any day on which the Exchange and the Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (b) in respect of any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session.

“Scheduled Valuation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“Share Disrupted Day” means, for any exchange upon which the relevant Component Security is traded or any exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are traded, any day upon which trading is scheduled to take place on such exchange or system, such exchange or system fails to open for trading during its regular trading session or on which a Share Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances, notify the Issuer and the Agent of the occurrence of a Share Disrupted Day on any day that but for the occurrence of a Share Disrupted Day would have been the Valuation Date or any other date as is specified in the Final Terms to be applicable, provided that failure by the Calculation Agent to notify the parties of the

occurrence of a Share Disrupted Day shall not affect the validity of the occurrence and effect of such Share Disrupted Day.

“Share Disruption Event” means, in relation to each relevant Component Security, the occurrence or existence of (i) a Share Trading Disruption, (ii) a Share Exchange Disruption or (iii) a Share Early Closure, as determined by the Calculation Agent in its sole and absolute discretion, if, in any such case, that Share Trading Disruption, Share Exchange Disruption or Share Early Closure is, in the determination of the Calculation Agent, material.

“Share Early Closure” means the closure on any day on which such exchange or quotation system is open for business, with respect to the exchange upon which the relevant Component Security is traded or any exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are traded, prior to its scheduled closing time unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such exchange or quotation system on such day on which such exchange or quotation system is open for business, and (ii) the submission deadline for orders to be entered into such exchange or quotation system for execution at the scheduled closing time on the relevant exchange or quotation system on such day.

“Share Exchange Disruption” means any event (other than a Share Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, relevant Component Security on the exchange upon which the relevant Component Security is traded or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Component Security on any relevant exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are traded, in either case, at any time during the one-hour period that ends at the scheduled closing time on the relevant exchange or quotation system on the relevant Valuation Date.

“Strike Price” means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place, with 0.005 being rounded upwards.

“Share Trading Disruption” means any suspension of or limitation imposed on trading (by reason of movements in prices exceeding limits permitted by (a) the exchange upon which the relevant Component Security is traded for the purposes of the Index or (b) the exchange or quotation system upon which futures or options contracts relating to such Component Security are traded, or otherwise) in (i) the relevant Component Security or options contracts or (ii) futures contracts on the relevant Component Security, as applicable.

“Trading Disruption” means:

- (a) in respect of any Unitary Index, any suspension or limitation imposed on trading by the Exchange or the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or the Related Exchange or otherwise (i) on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on the Related Exchange; or
- (b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

“Unitary Index” means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“Valuation Cut-Off Date” means, (i) the date specified in the applicable Final Terms, or (ii) if not so specified, the second Scheduled Trading Day immediately following the Scheduled Valuation Date.

“Valuation Date” means each Valuation Date specified in the applicable Final Terms or if such date is not a Scheduled Trading Day or is a Disrupted Day, then:

- (a) where the Index Linked Notes relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled

Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price of the Index using the level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

- (b) where the Index Linked Notes relate to a Basket of Indices, either (i) or (ii) below, as specified in the applicable Final Terms, shall apply:
 - (i) the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day with respect to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, (x) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Index (notwithstanding the fact that such day is a Disrupted Day) and (y) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price using, in relation to the Affected Index, the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Share Disrupted Day in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or
 - (ii) the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day with respect to all Indices, unless there is no such Common Scheduled Trading Day that is not a Disrupted Day on or prior to the Valuation Cut-Off Date. In that case, (x) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for all Indices (notwithstanding the fact that such day is a Disrupted Day for any of the Index) and (y) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price of the Index affected by the occurrence of the relevant Disrupted Day (the “**Affected Index**”) using the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Affected Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

“**Valuation Time**” means:

- (a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Exchange, the Scheduled Closing Time of the Exchange (**provided that**, if the relevant Exchange closes prior to its Scheduled Closing Time then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
- (b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component

Security (**provided that**, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

1.3 *Index Linked Interest*

If the applicable Final Terms provide that Index Linked Interest is applicable, the details of the method of the calculation and/or determination of the amount of such interest shall be the Index Linked Interest Formula specified in such Final Terms, and the dates of payment of such Index Linked Interest shall be specified in such Final Terms.

- (A) Where the Index Linked Notes relate to a single Index, the Index Linked Interest Formula is either (I) or (II) below as specified in the applicable Final Terms.
- (I) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:
 - (a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or
 - (b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined by the Calculation Agent in accordance with Condition 4(d).
- (II) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:
 - (a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Barrier Level 1, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d);
 - (b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 1 but is (x) equal to or higher than or (y) higher than, as specified in the Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Medium Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or
 - (c) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).
- (B) Where the Index Linked Notes relate to a Basket of Indices, the Index Linked Interest Formula is either (I) or (II) below as specified in the applicable Final Terms.
- (I) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:

- (a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or
 - (b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).
- (II) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:
 - (a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level 1, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d);
 - (b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 1 but the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Medium Rate as specified in the Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or
 - (c) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).

1.4 ***Index Linked Redemption***

(a) *Index Linked Automatic Early Redemption*

If the applicable Final Terms provide that Index Linked Automatic Early Redemption is applicable, it shall constitute an Automatic Early Redemption Event if the Calculation Agent determines that, as of any Automatic Early Redemption Valuation Date, either of the following events has occurred:

- (i) where the Index Linked Notes relate to a single Index, the Index Final of the Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Knock-out Price; or
- (ii) where the Index Linked Notes relate to a Basket of Indices, the Index Final of each Index of the Basket is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Knock-out Price,

and the Issuer shall redeem the Notes in whole or in part in an amount per Calculation Amount equal to the Automatic Early Redemption Amount on the relevant Automatic Early Redemption Date.

(b) *Index Linked Final Redemption*

If the applicable Final Terms provide that the Notes are the Index Linked Redemption Notes, the Notes shall be redeemed in accordance with the applicable Index Linked Redemption Formula specified in the applicable Final Terms.

Where the Index Linked Notes relate to a single Index, the Index Linked Redemption Formula is one of the items (I) through (IV) below as specified in the applicable Final Terms.

(I) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) otherwise, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

(II) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

Calculation Amount x (Final Index Final /Strike Price).

(III) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Final Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) if the Final Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

(IV) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) if the Barrier Event has occurred and the Final Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (iii) if the Barrier Event has occurred and the Final Index Final is (x) lower than or (y) equal to or lower than, as specified in the Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

Where the Index Linked Notes relate to a Basket of Indices, the Index Linked Redemption Formula is one of the items (I) through (IV) below as specified in the Final Terms.

(I) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) otherwise, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

- (II) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

- (III) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Final Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) if the Final Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

- (IV) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (ii) if the Barrier Event has occurred and the Final Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;
- (iii) if the Barrier Event has occurred and the Final Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

1.5 **Correction of the Index**

In the event that the level of the Index published by the Index Sponsor and which is utilised for the calculation of the Index Final or the determination of the occurrence of a Barrier Event or an Automatic Early Redemption Event, is corrected or subsequently corrected and the correction is published by the Index Sponsor as a replacement to the level of the Index on the original date of publication or, if specified in the applicable Final Terms, on any date thereafter until the Correction Publication Cut-Off Date, then the Calculation Agent shall use such corrected level of the Index instead of the level of the Index that was originally published.

1.6 **Discontinuance of the Index/Alteration of Method of Calculation**

If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (such successor sponsor will be deemed to be the Index Sponsor) acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

If (a) on or prior to the Base Price Fixing Date, any Valuation Date or any Scheduled Trading Day during the Observation Period, the Index Sponsor (or its successor) announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”) or (b) on the Base Price Fixing Date, any Valuation Date or any Scheduled Trading Day during the Observation Period, the Index Sponsor or a successor sponsor fails to calculate and announce the Index (an “**Index Disruption**”) and together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then:

- (i) the Calculation Agent shall determine if any such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the level of the Index, using, in lieu of a published level for the Index, the level for the Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation but using only those securities that comprised the Index immediately prior to such Index Adjustment Event, or
- (ii) if the Calculation Agent determines, in its reasonable commercial discretion, that the application of the preceding paragraph would not achieve a commercially reasonable result, the Calculation Agent may determine that the Notes shall be redeemed, in which event the Issuer will, on giving not less than 3 nor more than 20 Business Days’ notice to Holders of Notes in accordance with Condition 13 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of the Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (including, without limitation, any equity options hedging the Issuer’s obligations under the Notes), all as determined by the Calculation Agent in its sole discretion. Payments will be made in such manner as shall be notified to Holders of Notes in accordance with Condition 13 (*Notices*).

1.7 ***Additional Disruption Events***

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem the Notes by giving notice to the Holders of Notes in accordance with Condition 13 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Holder in respect of each Note held by him which amount shall be the fair market value of the Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders of Notes in accordance with Condition 13 (*Notices*).
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

1.8 ***Calculations Binding***

The Calculation Agent has been appointed as such in order to determine in its sole discretion the calculations with respect to certain amounts payable under the Notes and the determination with respect to certain events as more fully specified herein in accordance with the calculation agency agreement entered into between the Issuer and the Calculation Agent which constitutes the “**Calculation Agency Agreement**”. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the determinations by the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Principal Paying Agent, the Registrar, the other Paying Agents and the Holders and (in the absence as aforesaid) no liability to the Issuer or the Holders shall attach to the Calculation Agent in connection with the exercise by it of its powers, duties and discretion pursuant to the

provisions therein. Any notice to be given by the Calculation Agent shall be deemed to have been given if given in accordance with the Calculation Agency Agreement. The Calculation Agent shall notify the Principal Paying Agent or the Registrar, as the case may be, the Issuer and (if applicable) the Guarantor of the results of all calculations and determinations conducted or made pursuant to the provisions in these Index Linked Conditions as soon as practicably possible. The Principal Paying Agent or the Registrar, as the case may be, shall give notice to the Holders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

Failure by the Calculation Agent to notify the parties of the occurrence of certain events shall not affect the validity of the occurrence and effect of such determination.

USE OF PROCEEDS

The net proceeds from each issue of Notes by HC and HCA will be applied by the Issuer for the general corporate purposes of the Issuer which include making a profit, or such other reason as may be specified in the applicable Final Terms. If, in respect of any particular issue of Notes which are derivative securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

In relation to Notes issued by HCUK, the net proceeds of an issue of Notes will be applied by HCUK for (i) the general corporate purposes of the Issuer, which include making a profit, (ii) financing or refinancing, in whole or in part, the Eligible Project Portfolio, which comprises a portfolio of projects meeting the eligibility criteria set out in the Green Finance Framework, as published on the website of HCUK and updated from time to time, in which case the applicable Final Terms will provide additional information in relation to the intended use of proceeds in respect of such Notes (such issue of Notes, “**Green Bonds**”), or (iii) such other reason as may be specified in the applicable Final Terms.

HCUK has established a Green Finance Framework, as published on its website (<https://www.hitachicapital.co.uk/financial-performance/>), which has been prepared in alignment with ICMA’s 2018 edition of the Green Bond Principles (the “**ICMA Green Bond Principles**”). HCUK may amend or update the Green Finance Framework from time to time, and will publicly announce any change to the Green Finance Framework on its website.

Pursuant to the Green Finance Framework, proceeds of a relevant issue of Notes will be allocated to finance or refinance assets within the Eligible Project Portfolio, which include:

1. clean transportation; and
2. renewable energy.

HCUK has set up a Corporate and Social Responsibility (“**CSR**”) committee to discuss CSR targets, to agree on activities to meet these targets, and to discuss the addition of any new categories of assets to be eligible for the Eligible Project Portfolio.

The allocation of net proceeds of the issue of Green Bonds will be managed on a portfolio basis by the Treasury team of HCUK, and the purchase of eligible vehicles by HCUK and its subsidiaries utilising these proceeds will be recorded and tracked centrally via internal reporting systems, in line with HCUK’s monthly reporting requirements. Any unallocated proceeds will be held at HCUK Treasury in cash or short-term investments.

Prior to the issuance of any such Notes, HCUK will engage a second party opinion provider to provide a second party opinion regarding its Green Finance Framework (the “**second party opinion**”). The Green Finance Framework, any second party opinions and associated reporting are available on HCUK’s website at <https://www.hitachicapital.co.uk/financial-performance/>. For the avoidance of doubt, the Green Finance Framework and any second party opinions published are not incorporated in, and do not form part of, this Offering Circular.

In accordance with the ICMA Green Bond Principles, HCUK will keep its investors updated on the allocation of proceeds and intends to also report on the expected impact of the eligible projects within the Eligible Project Portfolio.

While HCUK will monitor and account for the net proceeds of an issue of Green Bonds relative to the Eligible Project Portfolio, no assurance is or can be given by HCUK, the Guarantor, the Dealers, the Paying Agents or any other person that the Eligible Project Portfolio will meet any criteria, expectations and objectives of investors regarding the environmental or social impact of sustainability performance of any “green”, “social”, “sustainable” or equivalently-labelled projects or that adverse environmental, social and/or other impacts will not occur during the implementation of any projects within the Eligible Project Portfolio.

None of the Dealers will verify the proposed use of proceeds of any issue of Notes, nor shall they be responsible for the ongoing monitoring of the use of proceeds in respect of any issue of such Notes.

None of HCUK, the Guarantor, the Dealers, the Paying Agents or any other person shall be responsible for assuring that the use of such proceeds will satisfy, in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which any investor or its investments are required to comply (in particular with regard to any direct or indirect environmental, sustainable or social impact of any projects or uses, the subject of or related to, the relevant projects in the Eligible Project Portfolio).

GUARANTEES

The following is the Guarantee given by the Guarantor in respect of Notes issued by Hitachi Capital (UK) PLC under the Programme:

THIS DEED OF GUARANTEE is made on 17 December 2020 by Hitachi Capital Corporation (the “**Guarantor**”, which shall include any successor in business to Hitachi Capital Corporation) in favour of the Beneficiaries (as defined in the Deed of Covenant referred to below).

WHEREAS:

- (A) Hitachi Capital (UK) PLC (the “**Issuer**”) and, *inter alia*, the Guarantor have entered into an Amended and Restated Dealer Agreement (the “**Dealer Agreement**”, which expression includes the same as it may be amended, restated or supplemented from time to time) dated 17 December 2020 with the Dealers named therein under which the Issuer proposes from time to time to issue Euro Notes (the “**Notes**”, such expression to include each Definitive Note issued by the Issuer and each Global Note issued by the Issuer (where “**Definitive Note**” and “**Global Note**” have the meanings ascribed thereto in the Dealer Agreement) and to include any receipts issued in respect of Bearer Notes repayable in instalments).
- (B) The Issuer has executed a Deed of Covenant dated 17 December 2020 (the “**Deed of Covenant**”) relating to the Notes, and constituting the Registered Notes, to be issued by the Issuer pursuant to the Dealer Agreement.
- (C) The Issuer and, *inter alia*, the Guarantor have entered into an Amended and Restated Agency Agreement (the “**Agency Agreement**”, which expression includes the same as it may be amended, restated or supplemented from time to time) dated 17 December 2020 with the agents named therein.
- (D) This Guarantee is intended to replace, in respect of Notes issued on or after the date hereof, the deed of guarantee dated 8 August 2018 (the “**Previous Deed of Guarantee**”) executed by the Guarantor.
- (E) In relation to any Series of Notes, terms defined in the Terms and Conditions of such Notes (the “**Conditions**”, which term shall mean the Conditions set out in the Schedule of Forms relating to the Issuer’s Euro Note Programme as in force on the date of issue of the first Tranche of the relevant Notes (as completed by the applicable Final Terms or as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus)) and in the Dealer Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.
- (F) If the Merger (as defined in the Conditions) is implemented, then MUL (as defined in the Conditions) will assume the obligations of Hitachi Capital Corporation as guarantor in respect of Notes issued by the Issuer, and accordingly references in this Guarantee to the “Guarantor” and the “Guarantee” shall, with effect from the effective date of the Merger, refer to MUL and the guarantee of MUL as successor in business to Hitachi Capital Corporation, respectively.

NOW THIS DEED WITNESSES as follows:

1. **Replacement of Previous Deed of Guarantee:** Any Notes issued on or after the date of this Guarantee shall have the benefit of this Guarantee but shall not have the benefit of any subsequent guarantee executed by the Guarantor (unless expressly so provided in any such subsequent guarantee). This does not affect any Notes issued prior to the date of this Guarantee or any Notes issued on or after the date of this Guarantee and which are consolidated with, and form a single Series with, the Notes of any Series issued prior to the date of this Guarantee. Subject to such replacement, the Previous Deed of Guarantee shall continue in full force and effect.
2. **Guarantee:** The Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Beneficiary that if for any reason the Issuer does not pay any sum payable by it to such Beneficiary in respect of any Note or Coupon or under the Deed of Covenant (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Beneficiary on demand the amount (as to which the certificate of such Beneficiary shall in the absence of manifest error be conclusive) payable by the Issuer to such Beneficiary.

3. **Guarantor as Principal Debtor:** Without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which but for this provision might operate to affect its liability (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to any Note, any Coupon or the Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Note, any Coupon, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any Note, any Coupon or the Deed of Covenant or any of the Issuer's obligations under any of them).
4. **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable under any Note, any Coupon or the Deed of Covenant. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Beneficiary, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.
5. **Repayment to the Issuer:** If any payment received by a Beneficiary is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.
6. **Indemnity:** As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer under any Note, any Coupon or the Deed of Covenant but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Beneficiary) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Beneficiary on demand. This indemnity constitutes a separate and independent cause of action and will apply irrespective of any indulgence granted by any Beneficiary.
7. **Status of Guarantee:** The obligations of the Guarantor under this Guarantee constitute (subject to Clause 8 below) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
8. **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) or any sum remains payable under the Deed of Covenant the Guarantor will not create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any External Indebtedness upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any External Indebtedness issued by it, without at the same time according to the Notes either the same security as is granted to or is outstanding in respect of such External Indebtedness or such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Clause 8, "**External Indebtedness**" means any indebtedness in the form of or represented by bonds, notes, debentures or other securities which:

- (a) either:
 - (i) are denominated or payable in, or by reference to, or may at the option of the person entitled thereto be or become payable in, or by reference to, a currency or currencies other than Yen; or
 - (ii) are denominated or payable in Yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Guarantor outside Japan; and
- (b) are not repayable (otherwise than at the option, or due to default, of the Guarantor) within three years from the date of their issue; and

- (c) are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any over-the-counter securities market outside Japan.

9. **Withholding or deduction:** All payments under this Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom, Japan or any political subdivision or any authority of either jurisdiction thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by a Beneficiary after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable:

- (a) in circumstances where any interest on the Notes is attributable to a business in Japan conducted by the Issuer through its permanent establishment in Japan as provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended) (the “**Special Taxation Measures Law**”), to a Beneficiary who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Law and the Order for Enforcement of the Special Taxation Measures Law of Japan (Cabinet Order No. 43 of 1957, as amended) (the “**Cabinet Order**”) who complies with the requirement to provide the Exemption Information (as defined below) or to submit a Claim for Exemption (as defined below) and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the relevant Paying Agent or the Issuer of its status as exempt from taxes to be withheld or deducted by the Issuer by reason of such resident of Japan or Japanese corporation receiving interest in respect of the relevant Note, Receipt or Coupon through a payment handling agent in Japan appointed by it);
- (b) in such circumstances as described in subclause 9(a) above, to a Beneficiary who is for Japanese tax purposes treated as a non-resident of Japan or a non-Japanese corporation that, in either case, is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law and Article 3-2-2, Paragraphs 5 to 7 of the Cabinet Order or who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of being connected with Japan, other than a connection by the mere holding of a Note, Receipt or Coupon or the mere crediting of Underlying Notes (as defined in the Deed of Covenant) to the Beneficiary’s securities account with the Relevant Clearing System (as so defined);
- (c) in such circumstances as described in subclause 9(a) above, to a Beneficiary who would otherwise be exempt from any such withholding or deduction but (i) who fails (x) to comply with any applicable requirement to provide the information prescribed by the Special Taxation Measures Law and the Cabinet Order (the “**Exemption Information**”) to enable a participant of an international clearing organisation or a financial intermediary (the “**Participant**”) to establish that such Beneficiary is exempt from the requirements for taxes to be withheld or deducted to the Participant or (y) to submit a claim for exemption from withholding tax (*hikazei tekiyou shinkokusho*) (a “**Claim for Exemption**”) to the Paying Agents (as defined in the Agency Agreement); or (ii) whose Exemption Information is not duly communicated through the Participant or the relevant international clearing organisation to the Paying Agents; or
- (d) more than 30 days after the Relevant Date (as defined in Condition 7 of the Conditions) except to the extent that the Beneficiary thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day.

10. **Power to execute:** The Guarantor hereby warrants, represents and covenants with each Beneficiary that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with its terms.

11. **Deposit of Guarantee:** This Guarantee shall take effect as a Deed Poll for the benefit of the Beneficiaries from time to time and for the time being. This Guarantee shall be deposited with and held by HSBC Bank plc as Principal Paying Agent until all the obligations of the Guarantor have been discharged in full.

12. **Production of Guarantee:** The Guarantor hereby acknowledges the right of every Beneficiary to the production of, and the right of every Beneficiary to obtain a copy (free of charge) of, this Guarantee, and

further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Beneficiary, and that each Beneficiary shall be entitled severally to enforce the said obligations against the Guarantor.

13. **Subrogation:** Until all amounts which may be payable under the Notes, the Coupons and/or the Deed of Covenant have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Beneficiary or claim in competition with the Beneficiaries against the Issuer.
14. **Governing Law and Jurisdiction:** This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee shall be governed by, and construed in accordance with, English law. The Guarantor irrevocably agrees for the benefit of each Beneficiary that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.

The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England, irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and irrevocably waives any objection to the enforcement of that judgment in the courts of any other jurisdiction. Nothing contained in this Clause shall limit any right to take Proceedings against the Guarantor 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.

The Guarantor has appointed the Issuer at its registered office for the time being in England (being at the date of execution hereof Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department)) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

IN WITNESS whereof this Guarantee has been manually executed as a deed poll on behalf of the Guarantor.

Signed as a deed by Hitachi Capital Corporation acting by its attorney, Satoshi Inoue, Executive Officer of Hitachi Capital Corporation, in the presence of:

Witness's Signature:

Name:

Address:.....

Dated 17 December 2020

The following is the form of Guarantee given by the Guarantor in respect of Notes issued by Hitachi Capital America Corp. under the Programme:

THIS DEED OF GUARANTEE is made on 17 December 2020 by Hitachi Capital Corporation (the “**Guarantor**”, which shall include any successor in business to Hitachi Capital Corporation) in favour of the Beneficiaries (as defined in the Deed of Covenant referred to below).

WHEREAS:

- (A) Hitachi Capital America Corp. (the “**Issuer**”) and, *inter alia*, the Guarantor have entered into an Amended and Restated Dealer Agreement (the “**Dealer Agreement**”, which expression includes the same as it may be amended, restated or supplemented from time to time) dated 17 December 2020 with the Dealers named therein under which the Issuer proposes from time to time to issue Euro Notes (the “**Notes**”, such expression to include each Definitive Note issued by the Issuer and each Global Registered Note issued by the Issuer (where “**Definitive Note**” and “**Global Registered Note**” have the meanings ascribed thereto in the Dealer Agreement **provided, however, that** references to “Definitive Notes” herein shall be to Definitive Notes in registered form only) and to include any receipts issued in respect of Notes repayable in instalments).
- (B) The Issuer has executed a Deed of Covenant dated 17 December 2020 (the “**Deed of Covenant**”) relating to the Notes, and constituting the Registered Notes, to be issued by the Issuer pursuant to the Dealer Agreement.
- (C) The Issuer and, *inter alia*, the Guarantor have entered into an Amended and Restated Agency Agreement (the “**Agency Agreement**”, which expression includes the same as it may be amended, restated or supplemented from time to time) dated 17 December 2020 with the agents named therein.
- (D) This Guarantee is intended to replace, in respect of Notes issued on or after the date hereof, the deed of guarantee dated 8 August 2018 (the “**Previous Deed of Guarantee**”) executed by the Guarantor.
- (E) In relation to any Series of Notes, terms defined in the Terms and Conditions of such Notes (the “**Conditions**”, which term shall mean the Conditions set out in the Schedule of Forms relating to the Issuer’s Euro Note Programme as in force on the date of issue of the first Tranche of the relevant Notes (as completed by the applicable Final Terms or as supplemented, amended and/or replaced to the extent described in the applicable Pricing Supplement or Drawdown Prospectus)) and in the Dealer Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.
- (F) If the Merger (as defined in the Conditions) is implemented, then MUL (as defined in the Conditions) will assume the obligations of Hitachi Capital Corporation as guarantor in respect of Notes issued by the Issuer, and accordingly references in this Guarantee to the “Guarantor” and the “Guarantee” shall, with effect from the effective date of the Merger, refer to MUL and the guarantee of MUL as successor in business to Hitachi Capital Corporation, respectively.

NOW THIS DEED WITNESSES as follows:

1. **Replacement of Previous Deed of Guarantee:** Any Notes issued on or after the date of this Guarantee shall have the benefit of this Guarantee but shall not have the benefit of any subsequent guarantee executed by the Guarantor (unless expressly so provided in any such subsequent guarantee). This does not affect any Notes issued prior to the date of this Guarantee or any Notes issued on or after the date of this Guarantee and which are consolidated with, and form a single Series with, the Notes of any Series issued prior to the date of this Guarantee. Subject to such replacement, the Previous Deed of Guarantee shall continue in full force and effect.
2. **Guarantee:** The Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Beneficiary that if for any reason the Issuer does not pay any sum payable by it to such Beneficiary in respect of any Note or under the Deed of Covenant (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Beneficiary on demand the amount (as to which the certificate of such Beneficiary shall in the absence of manifest error be conclusive) payable by the Issuer to such Beneficiary.
3. **Guarantor as Principal Debtor:** Without affecting the Issuer’s obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not

be discharged, nor will its liability be affected, by anything which but for this provision might operate to affect its liability (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to any Note or the Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Note, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any Note or the Deed of Covenant or any of the Issuer's obligations under any of them).

4. **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable under any Note or the Deed of Covenant. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Beneficiary, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.
5. **Repayment to the Issuer:** If any payment received by a Beneficiary is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.
6. **Indemnity:** As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer under any Note or the Deed of Covenant but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Beneficiary) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Beneficiary on demand. This indemnity constitutes a separate and independent cause of action and will apply irrespective of any indulgence granted by any Beneficiary.
7. **Status of Guarantee:** The obligations of the Guarantor under this Guarantee constitute (subject to Clause 8 below) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
8. **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) or any sum remains payable under the Deed of Covenant the Guarantor will not create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any External Indebtedness upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any External Indebtedness issued by it, without at the same time according to the Notes either the same security as is granted to or is outstanding in respect of such External Indebtedness or such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Clause 8, "**External Indebtedness**" means any indebtedness in the form of or represented by bonds, notes, debentures or other securities which:

- (a) either:
 - (i) are denominated or payable in, or by reference to, or may at the option of the person entitled thereto be or become payable in, or by reference to, a currency or currencies other than Yen; or
 - (ii) are denominated or payable in Yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Guarantor outside Japan; and
- (b) are not repayable (otherwise than at the option, or due to the default, of the Guarantor) within three years from the date of their issue; and

- (c) are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any over-the-counter securities market outside Japan.

9. **Withholding or deduction:** All payments under this Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United States, Japan or any political subdivision or any authority of either jurisdiction thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by a Beneficiary after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable:

- (a) in circumstances where any interest on the Notes is attributable to a business in Japan conducted by the Issuer through its permanent establishment in Japan as provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended) (the “**Special Taxation Measures Law**”), to a Beneficiary who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Law and the Order for Enforcement of the Special Taxation Measures Law of Japan (Cabinet Order No. 43 of 1957, as amended) (the “**Cabinet Order**”) who complies with the requirement to provide the Exemption Information (as defined below) or to submit a Claim for Exemption (as defined below) and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the relevant Paying Agent or the Issuer of its status as exempt from taxes to be withheld or deducted by the Issuer by reason of such resident of Japan or Japanese corporation receiving interest in respect of the relevant Note through a payment handling agent in Japan appointed by it);
- (b) in such circumstances as described in subclause 9(a) above, to a Beneficiary who is for Japanese tax purposes treated as a non-resident of Japan or a non-Japanese corporation that, in either case, is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law and Article 3-2-2, Paragraphs 5 to 7 of the Cabinet Order or who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of being connected with Japan, other than a connection by the mere holding of a Note or the mere crediting of Underlying Notes (as defined in the Deed of Covenant) to the Beneficiary’s securities account with the Relevant Clearing System (as so defined);
- (c) in such circumstances as described in subclause 9(a) above, to a Beneficiary who would otherwise be exempt from any such withholding or deduction but (i) who fails (x) to comply with any applicable requirement to provide the information prescribed by the Special Taxation Measures Law and the Cabinet Order (the “**Exemption Information**”) to enable a participant of an international clearing organisation or a financial intermediary (the “**Participant**”) to establish that such Beneficiary is exempt from the requirements for taxes to be withheld or deducted to the Participant or (y) to submit a claim for exemption from withholding tax (*hikazei tekiyou shinkokusho*) (a “**Claim for Exemption**”) to the Paying Agents (as defined in the Agency Agreement); or (ii) whose Exemption Information is not duly communicated through the Participant or the relevant international clearing organisation to the Paying Agents;
- (d) more than 30 days after the Relevant Date (as defined in Condition 7 of the Conditions) except to the extent that the Beneficiary thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day;
- (e) on account of any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, duty, assessment or other governmental charge;
- (f) where the tax, duty, assessment or other governmental charge which is imposed would not have been so imposed but for the failure to comply with certification, identification or other information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Beneficiary or beneficial owner of such Note if such compliance is required by statute or by regulation of the United States as a precondition of relief or exemption from such tax, duty, assessment or other governmental charge;

- (g) where the tax, duty, assessment or other governmental charge is payable otherwise than by withholding from a payment on a Note;
- (h) where the tax, duty, assessment or other governmental charge is imposed on a Beneficiary that actually or constructively owns 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, within the meaning of section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended, and any regulations thereunder (the “Code”); or
- (i) on account of any deduction or withholding from a payment on, or in respect of, the Notes where such deduction or withholding is imposed pursuant to Sections 1471 through 1474 of the Code, or any regulations or agreements thereunder, official interpretations thereof, or intergovernmental agreement (including any implementing law, regulation or official guidance) with respect thereto;
- (j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h) or (i),

nor shall additional amounts be paid to any Beneficiary who is a fiduciary or partnership or other than the sole beneficial owner of the Note, if any, to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, if any, would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the Beneficiary, if any.

10. **Power to execute:** The Guarantor hereby warrants, represents and covenants with each Beneficiary that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with its terms.
11. **Deposit of Guarantee:** This Guarantee shall take effect as a Deed Poll for the benefit of the Beneficiaries from time to time and for the time being. This Guarantee shall be deposited with and held by HSBC Bank plc as Principal Paying Agent until all the obligations of the Guarantor have been discharged in full.
12. **Production of Guarantee:** The Guarantor hereby acknowledges the right of every Beneficiary to the production of, and the right of every Beneficiary to obtain a copy (free of charge) of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Beneficiary, and that each Beneficiary shall be entitled severally to enforce the said obligations against the Guarantor.
13. **Subrogation:** Until all amounts which may be payable under the Notes and/or the Deed of Covenant have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Beneficiary or claim in competition with the Beneficiaries against the Issuer.
14. **Governing Law and Jurisdiction:** This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee shall be governed by, and construed in accordance with, English law. The Guarantor irrevocably agrees for the benefit of each Beneficiary that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.

The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England, irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and irrevocably waives any objection to the enforcement of that judgment in the courts of any other jurisdiction. Nothing contained in this Clause shall limit any right to take Proceedings against the Guarantor 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.

The Guarantor has appointed Hitachi Capital (UK) PLC at its registered office for the time being in England (being at the date of execution hereof Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department)) as its agent for service of process in England in respect of any

Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

IN WITNESS whereof this Guarantee has been manually executed as a deed poll on behalf of the Guarantor.

Signed as a deed by Hitachi Capital Corporation acting by its attorney, Satoshi Inoue, Executive Officer of Hitachi Capital Corporation, in the presence of:

Witness's Signature:

Name:

Address:.....

Dated 17 December 2020

DESCRIPTION OF HITACHI CAPITAL CORPORATION

General

HC is a leasing and consumer credit company that was originally established by Hitachi, Ltd. to provide consumer finance support to sales of Hitachi, Ltd.'s products. Since its formation in 1960, HC has diversified its activities, developing substantial consumer finance, leasing and other financial services businesses. On 1 October 2000, HC merged with Hitachi Leasing Limited and changed its name from Hitachi Credit Corporation to Hitachi Capital Corporation. HC is an important financial partner of the Hitachi group, a group which consists of Hitachi, Ltd. and approximately 1,220 of its subsidiaries and affiliates and is one of the major enterprise groups in Japan.

In May 2016, HC announced capital and business alliances that included (i) business alliances to be implemented (a) between HC and MUL and (b) among Hitachi, Ltd., HC, Mitsubishi UFJ Financial Group, Inc. (“**MUFG**”), MUFG Bank, Ltd. (“**MUFG Bank**”, formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.) and MUL, and (ii) the intention for Hitachi, Ltd. to sell a significant portion of HC's shares to MUFG and its group companies. In August 2016, HC and MUL entered into a definitive agreement on the business alliance to expand the business domains of both companies and strengthen their financial services functions including their ability to provide solutions by integrating the strengths and know-how of HC, a manufacturer affiliated leasing company, and MUL, a financial institution and trading company affiliated leasing company. In addition, also in August 2016, an agreement on the business alliance among Hitachi, Ltd., HC, MUFG, MUFG Bank and MUL was executed for establishing an open financial platform, with the aim of providing financial support for export of the Japanese infrastructure industry from early stages of infrastructure projects. In October 2016, the transfer of HC's shares from Hitachi, Ltd. to MUFG and MUL was effected and, as a result, HC became an affiliate accounted for by the equity method of each of Hitachi, Ltd. and MUFG.

Further, on 24 September 2020, HC and MUL jointly announced the proposed merger of HC with MUL (the “**Merger**”) (such announcement is included in the Merger Notice referred to below), which is subject to the approval of shareholders of each company at an extraordinary meeting of shareholders expected to take place in February 2021, and to certain regulatory clearances and other approvals and consents. The Merger is expected to become effective on 1 April 2021. Following the Merger being effected, the combined company is expected to be named “Mitsubishi HC Capital Inc.”. For further information on the Merger, please refer to the Merger Notice, which is incorporated by reference into this Offering Circular.

HC's registered head office is at 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo 105-0003, telephone number +81 3 3503 2111 and its company registration number is 0104-01-024970.

HC's shares are listed on the First Section of the Tokyo Stock Exchange.

HC's activities can be categorised into six business segments: “account solution” and “vendor solution” for the businesses in Japan, and “Europe”, “the Americas”, “China” and “ASEAN” for the global businesses. HC's domestic business is conducted through its headquarters in Tokyo together with its five business divisions. Outside of Japan, HC has its subsidiaries located in the United Kingdom, Poland, the Netherlands, Germany, Austria, Belgium the United States, Canada, Hong Kong, Singapore, Thailand, China, Malaysia and Indonesia.

Total Revenues of the Group

The following table sets forth the total revenues of the Group for the period indicated:

	Year ended 31 March	
	2019	2020
	<i>(millions)</i>	
Revenues.....	¥453,253	¥464,020

Proposed merger with MUL

In relation to the proposed merger of HC with MUL, please refer to the Merger Notice, which has been incorporated by reference into this Offering Circular.

Businesses of HC

As a manufacturer affiliated financial services company, HC has consistently pursued a policy of a distinct emphasis on the products it has financed over its history of more than 50 years. The products HC has financed have gradually expanded from the original range of household appliances to automobiles, information equipment, industrial machinery, medical devices, agricultural equipment and housing. HC's conception of products has expanded to include those things that contribute to healthy economic activity. In addition, HC has expanded into areas used in corporate finance, such as discounting of receivables. The one strength that has differentiated HC from competitors has been its ability to capitalise on its extensive experience and knowledge of such areas and products to provide seamless services that range from leases, loans and other financial services to function-oriented services. These services are based on a new perspective of a greater need for utility value in a product as a service. This fits with the recent shift from industrial economy to a knowledge-based economy in Japan and includes services such as asset management, securitisation, sale of lease matured assets, credit guarantees, receivables collection, trust services, and tax representation which save customers' time and resources.

Business Overview

During the fiscal year ended 31 March 2020, the global economy had been on a gradual slowdown trend due to the impact of the U.S.-China trade friction through the third quarter. In the fourth quarter, however, following the rapid spread of COVID-19 and a pandemic declaration by the World Health Organization, governments in major countries declared states of emergency and implemented measures such as entry/exit restrictions, causing significant restrictions on economic activities and drastic deterioration of business confidence.

For the fiscal year ended 31 March 2020, HC has steadily implemented measures towards its goal of achieving social values creation, such as focusing on key businesses (Environment/Energy, Mobility, Life and Sales Finance) and increasing added value.

In response to the inappropriate factoring deals at Hitachi Capital Factoring (China) Co., Ltd., a subsidiary of HC, which occurred in the fiscal year ended 31 March 2019, the Group positioned the fiscal year ended 31 March 2020 as a "year to strengthen the base" and performed a fundamental review of its global business after comprehensive business inspections. As thoroughgoing measures to prevent recurrence, the Group strived to further enhance its operational risk management systems and fraud risk management through implementation and operation of more stringent global credit risk related rules, closer coordination between overseas group companies and headquarters, as well as training on new credit risk related rules to employees.

As a result, for the fiscal year ended 31 March 2020, income before income taxes increased 30.0 per cent. year on year to ¥42,526 million due to steady implementation of the business strategy such as strengthening key businesses and the closing of large factoring businesses as initially planned despite recording of allowance for doubtful accounts of ¥2,600 million in relation to the impact of COVID-19. HC calculated allowance for doubtful accounts assuming that credit risk will increase for about six months until the end of the first half of the fiscal year ending 31 March 2021 both in Japan and the Group's global businesses.

Major topics in key businesses during the fiscal year ended 31 March 2020 are as follows:

Environment/Energy

In July 2019, Tsugaru Wind Power Generation Co., Ltd., a subsidiary of HC, has completed the building of Jusanko Wind Power Plant in Goshogawara City and Nakadomari-machi, Aomori Prefecture, Japan. In September 2019, Yokohama-machi Hibaritaira Wind Power Plant, operated by Yokohama Wind Power Generation Co., Ltd., a subsidiary of HC, started the supply of electricity generated by renewable energy. In February 2020, Hitachi Green Energy Corporation, a subsidiary of HC, commenced operation at Solar Power Plant in Niimi City, Okayama Prefecture, Japan. As a result, as of 31 March 2020, the Group's accumulated power generation capacity has expanded to 593MW.

Mobility

In October 2019, HC invested in Mobility Mixx B.V., which engages in Mobility-as-a-Service ("Maas") in the Netherlands. Separately, in October 2019, HC's Dutch subsidiary Hitachi Capital Mobility Holding Netherlands B.V. acquired Mobilease Belgium NV, which provides mobility service in Belgium. In March 2020, HC's Polish subsidiary Hitachi Capital Polska Sp. z o.o. established new branches in Czech Republic, Slovakia, and Hungary. As a result, as of 31 March 2020, HC's mobility business has expanded to eight countries in Continental Europe.

Life

In September 2019, a commercial facility “SAKURA MACHI Kumamoto” in Kumamoto City, Kumamoto Prefecture, Japan, implemented HC’s digital signage solution. In October 2019, HC won a bid for the new prefectural gym construction project in Shiga Prefecture, Japan. In November 2019, HC launched a joint development with Green Earth Institute Co., Ltd. of useful chemicals made from food and agricultural residues that contribute to health. In December 2019, HC’s subsidiary, Hitachi Capital Community Corporation, and a Daiwa House Group company, PT Daiwa Manunggal Logistik Properti, established a new real estate leasing company in Indonesia. In March 2020, HC launched a proof-of-concept for Internet-of-Things (“IoT”) smart house aiming at building “Life as a Service” model for a comprehensive smart-life-related service with Asahi Kasei Homes Corporation and Sharp Corporation.

Sales Finance

In April 2019, HCUK established Hitachi Capital European Vendor Solutions B.V., a sales finance service provider, in Amsterdam, the Netherlands. In March 2020, HC entered into a comprehensive partnership agreement for industrial IoT with Yokogawa Electric Corporation and amnimo Inc.

Subsidiaries and Affiliates

As at the date of this Offering Circular, HC has 53 subsidiaries, nine affiliates and five joint ventures. Twenty-five of the subsidiaries, two of the affiliates and three of the joint ventures were incorporated outside of Japan. All the affiliates and joint ventures are accounted for using the equity method.

Board Directors and Executive Officers

The Board Directors and Executive Officers of HC are as follows:

Board Director’s Full Name	Position	Other principal activities
Koichiro Hiraiwa	Chairman of the Board	Representative Director of Dream Estate Tokyo Inc.
Wataru Sueyoshi	Board Director	Attorney at law of Sueyoshi & Sato
Takashi Nakamura	Board Director	None
Yuri Sasaki	Board Director	Dean, Professor of Faculty of Economics, Meiji Gakuin University
		Director of the JBA TIBOR Administration
Masahiko Hasegawa	Board Director	Vice President and Executive Officer, in charge of Regional Strategies (Japan), General Manager and Deputy General Manager of Corporate Sales & Marketing Group, and CMO of Energy Sector of Hitachi, Ltd.
Koichiro Oshima	Board Director	Managing Executive Officer of MUFG
		Managing Executive Officer of MUFG Bank
		Managing Executive Officer of Mitsubishi UFJ Securities Holdings Co., Ltd.

Board Director's Full Name	Position	Other principal activities
Seiji Kawabe	Board Director	None
Kiyoshi Kojima	Board Director	None

The business address of HC's Board Directors is 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo 105-0003.

Executive Officer's Name	Position	Other principal activities
Seiji Kawabe	Representative Executive Officer, President and Chief Executive Officer	None
Seiichiro Kishino	Representative Executive Officer, Executive Vice President and Executive Officer	None
Chihiro Shirai	Senior Vice President and Executive Officer	None
Kazumi Anei	Senior Vice President and Executive Officer	None
Satoshi Inoue	Senior Vice President and Executive Officer	None
Masao Takemoto	Vice President and Executive Officer	None
Yoshikazu Ohashi	Vice President and Executive Officer	None
Masashi Takeda	Vice President and Executive Officer	None
Tsuyoshi Sato	Vice President and Executive Officer	None
Masao Nishida	Executive Officer	CEO & Managing Director of Hitachi Capital Asia Pacific Pte. Ltd.
Kazunori Hamazaki	Executive Officer	Director Chairman of Hitachi Capital Management (China) Ltd. Director Chairman of Hitachi Capital (Hong Kong) Ltd.
Shinji Tanaka	Executive Officer	None

The business address of HC's Executive Officers is 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo 105-0003, except Masao Nishida, whose business address is 111 Somerset Road, #14-05 TripleOne Somerset, Singapore 238164.

Conflicts of Interest

There are no potential conflicts of interest between the duties to HC of the Board Directors or Executive Officers and their private interests and/or other duties.

DESCRIPTION OF HITACHI CAPITAL (UK) PLC

General

HCUK was incorporated on 21 April 1982 with an indefinite length of life, under the laws of England and Wales with registered number 1630491. The registered office of HCUK is Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP, telephone number +44 (0)1784 227300. HCUK's share capital is 100 per cent. owned by HC. HCUK has five business units (Business, Vehicle, Consumer, Invoice Finance and European Vendor Solutions). The business of the subsidiary company which HCUK acquired in 2018, Franchise Finance Limited, has been transferred to the Business Finance division.

The UK Group strategy

HCUK's long term vision is to be the leading non-bank asset finance, factoring, vehicle contract hire and consumer finance group in the UK. In addition, HCUK is establishing a strong presence in Europe to support Hitachi and Mitsubishi European operations through a network of partnerships with third party partners and targeted acquisitions where and when economically relevant. To support this aim, HCUK has established a wholly-owned subsidiary, Hitachi Capital European Vendor Solutions B.V., in Amsterdam.

Fair treatment of customers is central to HCUK's business and is reflected in the company's culture, management, controls and communications. HCUK is authorised by the FCA to provide consumer credit, consumer hire, credit brokerage, debt collection services and insurance mediation.

Operational Organisation

The Group operates through five core business units servicing business to consumer and/or business to business markets.

(a) Hitachi Capital Consumer Finance

Hitachi Capital Consumer Finance is the UK's leading retail point of sale finance provider, working with over 3,200 high street and online retail partners. The business also has a significant presence in the personal loans sector, serving over 1.4 million UK customers with £2.61 billion of consumer lending during the year ended 31 March 2020.

(b) Hitachi Capital Vehicle Solutions

Hitachi Capital Vehicle Solutions is one of the UK's leading vehicle finance companies, operating over 81,000 assets, from cars, vans and heavy goods vehicles to plant and machinery. By increasing its overall fleet by 19 per cent. during the year ended 31 March 2020, the business has demonstrated strong growth in a challenging market and consolidated its standing as one of the top ten vehicle leasing companies in the UK. Our expertise is helping commercial fleets switch to electric vehicles and accelerate the transition to low carbon transport.

(c) Hitachi Capital Business Finance

Hitachi Capital Business Finance is a leading provider of business asset finance to small and medium sized enterprises ("SMEs") and larger corporations in the UK, with an asset portfolio of £1.3 billion. Across a wide range of industries, Hitachi Capital Business Finance provides financial solutions for businesses to help them grow, through brokers, distributors and manufacturers as well as directly. Our products include hire purchase, finance lease solutions, stocking and block discounting. With the introduction of flexible repayment plans, harnessing new technology and the launch of a unique input-finance product for the agricultural sector during the year ended 31 March 2020, the business unit continues to offer innovative solutions for SMEs. Hitachi Capital Business Finance was also amongst the first asset finance providers to join the Coronavirus Business Interruption Loan Scheme.

(d) Hitachi Capital Invoice Finance

Hitachi Capital Invoice Finance provides cash flow solutions to clients across a wide range of sectors in the UK. By incorporating market-leading digital processes throughout the agreement process to help SMEs maintain liquidity, the business provides clients with a unique proposition. In the year ended 31 March 2020, Hitachi Capital Invoice Finance generated record new transaction levels and continues to offer innovative credit underwriting solutions at the forefront of the invoice finance sector, which will ensure that it is well placed for growth when the UK economy recovers from the COVID-19 pandemic.

(e) Hitachi Capital European Vendor Solutions

Hitachi Capital European Vendor Solutions provides bespoke end-to-end vendor and channel finance solutions for the end users of Hitachi and Mitsubishi group companies and their distribution networks. By achieving domestic growth and by increasing cross-border lending transactions within Europe since its inception, Hitachi Capital European Vendor Solutions is leading the expansion of the Group internationally.

The split of revenue and profit by each business unit is provided in the notes to the HCUK Group Consolidated Financial Statements.

Directors

As of the date of this Offering Circular, the Board of Directors of HCUK comprises of the following members:

Name	Title	Other principal activities
R. Gordon	Chief Executive Officer	Chairman of HCA Director of Hitachi Capital Vehicle Solutions Ltd (Dormant) Director of Hitachi Capital European Vendor Solutions BV.
G. Munnoch	Chairman	Chairman of Nedbank Group Insurance Holding Ltd (South Africa) Director of JLY Specialty Ltd Director of Rupert Morgan Ltd
H. Fukuro	Non-Executive Director	Director of Hitachi Capital Mobility Netherlands Director of Maske Fleet GmbH Director of Hitachi Capital Polska Sp. Z o. o.
A. Hughes	Non-Executive Director	Director of Equals Group PLC Director of Unity Trust Bank PLC
A. Whitaker	Non-Executive Director	Director of WHR Consulting Ltd Director of Aphrodite Property Company Ltd Chair of Audit Quality Review Committee for the Financial Reporting Council Director of Markel International Insurance Company Ltd, Markel Syndicate Management Ltd and EC Insurance Company Ltd.

The business address of the Directors is Hitachi Capital (UK) PLC, Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP.

Other Members of Administrative, Management or Supervisory Bodies

Name	Title	Other principal activities
J. N. M. Sims	Legal Director and Company Secretary	None

The business address of Mr Sims is Hitachi Capital (UK) PLC, Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP.

Conflicts of Interest

There are no potential conflicts of interest between the duties to HCUK of the Directors or the persons listed above and their private interests and/or other duties.

Risk Management

HCUK and its subsidiaries (the “**UK Group**”) mitigates the risk of unexpected increase in credit losses through a number of controls and practices, including the following:

- using internal and external data, internally developed scorecards and other analytical tools to assess customer creditworthiness, affordability and debt service capacity;
- focusing lending activities in segments and products where the UK Group has clear and proven expertise;
- limiting concentration of lending by size, segment and customer type;
- where appropriate, especially in commercial lending, obtaining appropriate levels of collateral or security cover;
- maintaining detailed lending and credit policies for each Business Unit;
- maintaining tightly-controlled delegated credit authorities for each Business Unit;
- regularly reviewing portfolio performance against risk appetite;
- regularly re-grading or re-scoring customers to re-assess the default risk; and
- regularly reviewing retailers, vendors and other business introducers in order to assess and manage contingent liabilities for HC associated with the relationship.

DESCRIPTION OF HITACHI CAPITAL AMERICA CORP.

General

HCA was incorporated in October 1989 as a perpetual corporation (file no. 2211234) under the laws of the State of Delaware. HC owns all of the outstanding stock of HCA. HCA's registered office is 800 Connecticut Avenue, Norwalk, Connecticut 06854, and its telephone number is +1 203 956 3000.

HCA established HCC, its only direct wholly-owned subsidiary, in October 2012. In May 2014, HCC acquired CLE Capital Inc. ("**CLE**"), a Canadian company, and CLE became a wholly-owned subsidiary of HCC. HCA, HCC and CLE are together referred to as the HCA Group.

The HCA Group consists of a group of diversified financial services companies providing secured financings to U.S. affiliates of Hitachi, Ltd., their customers, and other commercial market segments in the United States and Canada. The HCA Group's business lines can broadly be defined as either "**Small Company Financing**" (as described below) or "**Large Company Financing**" (as described below) for customers in the U.S. and Canada.

Under Small Company Financing, the HCA Group provides financings to smaller, typically non-investment grade rated companies. The HCA Group provides financings to such companies for heavy duty and medium duty trucks, medical equipment, information technology hardware and software, construction machinery, health and beauty equipment, and restaurant equipment. Heavy and medium duty trucks are generally financed through direct manufacturer's programmes or, in the case of portfolio acquisitions, through third party manufacturer's programmes or through manufacturer's dealers on a secured basis. The HCA Group also provides floorplan financing to selected customers within its dealer network with whom the HCA Group has a manufacturer's programme relationship. Medical equipment, and information technology hardware and software are primarily financed to healthcare clients through direct manufacturer and financial intermediaries. Construction machinery, health and beauty equipment, and restaurant equipment are generally financed through direct manufacturer's programmes. In addition, HCA provides "**Small Ticket Supply Chain Financing**", which refers to the purchase of accounts receivables directly from small and medium-sized companies, and providing asset backed loans to small and medium-sized companies. Small Ticket Supply Chain Financing is included in the Small Company Financing business line due to the fact that the transaction size is relatively small and customers are small and medium-sized companies.

Under Large Company Financing, the HCA Group provides financing arrangements for large, generally investment grade rated companies or their subsidiaries. Large company financings are originated through (i) direct manufacturer's programmes, (ii) other financial institutions on a wholesale basis or (iii) large, generally investment grade rated companies or their subsidiaries. The types of financing provided to Large Company Financing customers include leases and loans for various types of equipment. The HCA Group also provides "**Big Ticket Supply Chain Financing**", which refers to the purchase of investment grade rated accounts receivables either directly from investment grade rated companies or from suppliers to investment grade rated companies on an opportunistic basis. Big Ticket Supply Chain Financing is included in the Large Company Financing business line due to the fact that investment grade rated companies, who are the payers under these financing arrangements, enter into direct payment agreements with the HCA Group.

To augment both business lines, the HCA Group also has a well-established syndication function that allows it to temporarily assume greater credit exposure to its customers and then later reduce this exposure by selling a portion of its exposure to other financial institutions. With both Small Company Financing and Large Company Financing, the syndication function allows the HCA Group to better manage the growth of its balance sheet.

Directors

As at the date of this Offering Circular, HCA's Board of Directors is comprised of three members:

Name	Title	Other principal activities
Mr Robert Gordon	Chairman	Chief Executive Officer of HCUK Director of Hitachi Capital Vehicle Solutions Ltd (Dormant)

Mr Ryan Collison	President and Chief Executive Officer	Chief Executive Officer and Director of HCC Non-Executive Director of CLE
Mr Masayoshi Miyake	Non-Executive Board Member	None

The business address of Mr Gordon is Hitachi Capital (UK) PLC, Hitachi Capital House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP, United Kingdom. The business address of Mr Collison is Hitachi Capital America Corp., 800 Connecticut Avenue, Norwalk, Connecticut 06854. The business address of Mr Miyake is Hitachi Capital Corporation, 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo, 105-0003 Japan.

Conflicts of Interest

There are no potential conflicts of interest between the duties to HCA of the Directors and their private interests and/or other duties.

TAXATION

GENERAL

The discussion of taxation under the headings “*United States*”, “*United Kingdom*” and “*Japan*” in this section is only an indication of certain tax implications under the laws of those jurisdictions as they may affect investors. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of person (such as dealers). HC, HCUK and HCA make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors. **Potential investors are strongly advised to consult their professional advisers on the tax implications of investing in Notes.**

UNITED STATES

Overview

The following is an overview of certain United States federal income tax consequences of the ownership and disposition of Notes, Receipts, or Coupons by a holder that is not a “**United States Person**” (a “**Non-U.S. Holder**”). A United States Person is a holder or beneficial owner that is for United States federal income tax purposes an individual who is a citizen or resident of the United States, a corporation (or entity treated as a corporation for United States federal tax purposes) created or organised in or under the laws of the United States (any State thereof or the District of Columbia), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (a)(i) a U.S. court is able to exercise primary supervision over the trust’s administration and (ii) one or more United States Persons have the authority to control all of the trust’s substantial decisions or (b) such trust has a valid election in place to be treated as a United States Person for United States federal tax purposes. This discussion is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), judicial decisions, published rulings, administrative pronouncements, and existing and proposed U.S. Treasury Regulations (the “**Regulations**”), all as are in effect on the date of this Offering Circular and all of which are subject to change after such date, possibly with retroactive effect. This summary also assumes that the Notes, Receipts and Coupons are held as capital assets, within the meaning of Section 1221 of the Code and are offered, sold and delivered in accordance with the Dealer Agreement and the Schedule of Forms. The information provided below does not purport to be a complete discussion of all aspects of United States federal tax law and practice currently applicable that may be relevant to a particular holder in light of its personal circumstances (including the United States federal income tax consequences of certain conduit financing arrangements) or to holders subject to special treatment under the United States federal tax laws (including certain financial institutions, tax-exempt organisations, persons who have ceased to be United States citizens or to be taxed as resident aliens, or persons that hold the Notes in connection with a United States trade or business as determined under United States federal income tax principles). Moreover, this discussion does not apply to certain Dual Currency Notes. Further, this summary does not address the United States federal income tax consequences applicable to holders of equity interests in a beneficial owner of Notes, Receipts or Coupons. In addition, the discussion is generally limited to the United States federal income tax consequences of initial holders and does not consider holders that are pass-through (including partnerships) or other entities of holders of interest in such entities. If a partnership or other entity or arrangement treated as a partnership for United States federal income tax purposes holds a Note, Receipt or Coupon, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in a partnership holding Notes, Receipts or Coupons are encouraged to consult their tax advisers.

The Issuer generally intends to treat the Notes issued under the Programme as debt. Certain Notes, however, such as Notes with extremely long maturities, may be treated as equity for United States federal tax purposes.

General

Under present United States federal income tax law and subject to the discussions of backup withholding and foreign account tax compliance below, and assuming that the conditions and requirements set forth in “*Form of the Notes*,” “*Guarantees*” and “*Subscription and Sale*” have been satisfied:

1. United States withholding tax will not apply in cases where the Issuer is HC or HCUK;
2. In cases where the Issuer is HCA, payments of principal or interest (including any original issue discount) on any Note, Receipt or Coupon by HCA, the Guarantor or the Paying Agent (acting in their capacity as such) to any Non-U.S. Holder will not be subject to withholding of United States federal income tax, **provided that** in the case of amounts treated as interest or original issue discount on a Note (i) the holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of HCA’s shares

entitled to vote within the meaning of section 871(h)(3) of the Code; (ii) the holder is not (a) a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business, or (b) a controlled foreign corporation within the meaning of section 957(a) of the Code that is related, directly or indirectly, to HCA through share ownership; (iii) such interest is not contingent on the HCA's profits, revenues, dividends or changes in the value of its property nor is otherwise described in section 871(h)(4) of the Code; and (iv) the holder provides HCA or its paying agent with an IRS Form W-8BEN, W-8BEN-E (or other appropriate type of IRS Form W-8 or other documentation as permitted by official IRS guidance); and

3. A Non-U.S. Holder of a Note, Receipt, or Coupon will not be subject to United States federal income tax on gain realised on the sale, exchange, retirement or other disposition of a Note, Receipt, or Coupon, unless (i) such holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other requirements are met or (ii) such gain is effectively connected with the conduct of a trade or business of such holder in the United States.

Information Reporting and Backup Withholding

United States information reporting requirements and backup withholding generally will not apply to payments on a Note, Receipt, or Coupon made outside the United States by any Issuer, the Guarantor, or the Paying Agent (acting in their capacity as such) to a Non-U.S. Holder.

Information reporting requirements and backup withholding generally will not apply to any payment on a Note, Receipt, or Coupon made outside the United States by a foreign office of a custodian, nominee, or other agent of the beneficial owner of such Note, Receipt, or Coupon, or to any payment of the proceeds of the sale of a Note, Receipt, or Coupon effected outside the United States by a foreign office of a **“broker”** (as defined in applicable Regulations), **provided that** such custodian, nominee, other agent or broker is not a **“U.S. Controlled Person”**, as defined below. Payment on a Note, Receipt, or Coupon made outside the United States to the beneficial owner thereof by a foreign office of any custodian, nominee, or other agent or on the proceeds of the sale of a Note, Receipt, or Coupon effected outside the United States by a foreign office of any broker that is a U.S. Controlled Person will not be subject to backup withholding, but may be subject to information reporting requirements unless such custodian, nominee, other agent or broker has documentary evidence in its records that the beneficial owner is a Non-U.S. Holder and certain other conditions are met, or the beneficial owner otherwise establishes an exemption. Payment of the proceeds of a sale of a Note, Receipt, or Coupon by the United States office of a broker will be subject to information reporting requirements and backup withholding unless the beneficial owner duly certifies its non-U.S. status under penalties of perjury, or otherwise establishes an exemption.

A U.S. Controlled Person is a person that (i) is a United States Person (including a foreign branch or office of such person); (ii) derives at least 50 per cent. of its gross income from certain periods from the conduct of a trade or business within the United States; (iii) is a controlled foreign corporation for United States federal income tax purposes; or (iv) is a foreign partnership that, at any time during its taxable year, is more than 50 per cent. owned (by income or capital interest) by United States Persons or is engaged in the conduct of a U.S. trade or business.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's United States federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and timely furnishing any required information.

U.S. Foreign Account Tax Compliance Withholding

The Foreign Account Tax Compliance Act (**“FATCA”**) generally imposes a withholding tax of 30 per cent. on U.S.-source interest income (including original issue discount) from debt obligations paid to a foreign financial institution (an **“FFI”**, as defined under Sections 1471 through 1474 of the Code), unless such FFI enters into and complies with an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners) (making such FFI, a **“Participating FFI”**). In addition, FATCA generally imposes a withholding tax of 30 per cent. on U.S.-source interest income (including original issue discount) from debt obligations paid to a non-financial foreign entity unless such non-financial foreign entity provides the withholding agent with certain certification or information relating to U.S. ownership of the entity. Under certain circumstances, such foreign persons might be eligible for refunds or credits of such taxes.

This withholding tax may be triggered if the relevant Issuer (e.g., HCA), is treated as a United States person for United States federal income tax purposes, and (i) any FFI that is an investor, or through which payment on such Notes is made, is not a Participating FFI, or otherwise exempt from such withholding, or (ii) an investor does not provide

necessary information or certifications (generally on IRS Form W-8BEN or W-8BEN-E) as to its status. This withholding tax may also be triggered under future IRS guidance, if (i) the relevant Issuer is a FFI and becomes a Participating FFI, (ii) the relevant Issuer makes a “foreign passthru payment” (a term not yet defined by IRS guidance) and (iii) (a) an investor does not provide information sufficient for the relevant Issuer to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of such Participating FFI, or (b) any FFI that is an investor, or through which payment on such Notes is made, is not a Participating FFI, or otherwise exempt from such withholding. Under proposed Treasury regulations, withholding tax on “foreign passthru payments” will not apply to payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payments” are enacted. Moreover, such withholding will only apply to Notes issued at least six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register unless the Notes are materially modified after such date and/or characterised as equity for U.S. tax purposes. However, if additional notes (as described under “*Terms and Conditions – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes, including those Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

A number of jurisdictions (including the United Kingdom and Japan) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a FFI 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

UNITED KINGDOM

The following applies only to persons who are the absolute beneficial owners of the Notes and is an overview of the Issuers’ understanding of current law and the practice of H.M. Revenue and Customs (“HMRC”) in the United Kingdom (which may be subject to change, sometimes with retrospective effect) relating to the withholding of tax from interest on the Notes issued by HCUK. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. The following 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. Some aspects do not apply to certain classes of taxpayer. The following does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or may be unsure as to their tax position should seek their own professional advice. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes 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. Payment of Interest on Notes issued by HCUK

Payment of interest on Notes issued by HCUK may be made without deduction of or withholding on account of United Kingdom income tax **provided that** such Notes are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007 (the “ITA”) or admitted to trading on a multilateral trading facility operated by an EEA-regulated recognised stock exchange within the meaning of section 987 of the ITA. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the Regulated Market of the London Stock Exchange. Provided, therefore, that the Notes issued by HCUK remain so listed, interest on such Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes issued by HCUK may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and the Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes issued by HCUK on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty or to the interest being paid in circumstances in which any other exemption may apply.

B. Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and hence be subject to the United Kingdom withholding tax rules outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may depending on their specific circumstances be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” in sections A and B mean “interest” as understood in United Kingdom tax law. The statements in sections A and B 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 Notes or any related documentation (e.g., see Condition 5 of the Notes). Where a payment on a Note 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 for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), 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.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer and does not consider the tax consequences of any such substitution.

JAPAN

Except in circumstances where any interest on the Notes issued by HCUK or HCA is attributable to a business in Japan conducted by such Issuer through its permanent establishment in Japan as provided for in the Special Taxation Measures Law, the payment of principal of and interest on the Notes issued by such Issuer to a non-resident of Japan or a non-Japanese corporation are, under Japanese tax laws currently in effect, not subject to any Japanese income tax or corporate tax, unless the receipt of the relevant payment is the income of such non-resident of Japan or non-Japanese corporation from sources in Japan. If any interest on the Notes or any excess amount of the redemption price over the issue price of any Notes (the “**Redemption Premium**”) issued by HCUK or HCA is attributable to a business in Japan conducted by such Issuer as aforementioned, the consequences relating to the Notes issued by HC in the following paragraphs are also applicable to the Notes issued by HCUK or HCA.

Payment of interest on the Notes issued by HC to an individual resident of Japan or a Japanese corporation (except for (i) a financial institution designed by the Order for Enforcement of the Special Taxation Measures Law of Japan (Cabinet Order No. 43 of 1957, as amended) (the “**Cabinet Order**”) which has complied with the requirements under Article 6 of the Special Taxation Measures Law and (ii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments firm as provided in Article 3-3, Paragraph 6 of the Special Taxation Measures Law which receives the interest payments through its payment handling agent in Japan and complies with the requirement for tax exemption under that Paragraph), or to an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purpose (a “**Non-Resident Holder**”) that, in either case, is a person having a special relationship (as described in Article 6, Paragraph 4 of the Special Taxation Measures Law and Article 3-2-2, Paragraphs 5 to 7 of the Cabinet Order) with the Issuer (a “**Specially-Related Person of the Issuer**”) will be subject to Japanese income tax at a rate of 15.315 per cent. (until 31 December 2037, and a rate of 15 per cent. thereafter) of the amount of such interest.

Generally, payment of interest on the Notes issued by HC outside Japan by HC or any Paying Agent to a beneficial owner that is a Non-Resident Holder will not be subject to Japanese withholding tax, so long as the beneficial owner

has no permanent establishment in Japan and complies with procedures for establishing its status as a Non-Resident Holder in accordance with the requirements of Japanese law. However, such payment of interest will be subject to Japanese withholding tax if:

- (i) the amount of interest on the Notes is calculated or determined on the basis of or by reference to certain indicators including the amount of profit, income, earnings, revenue, assets and distribution of surplus, distribution of profit and other similar distributions of the relevant Issuer or any of its Specially-Related Persons of the Issuer as provided in Article 3-2-2 of the Cabinet Order;
- (ii) the recipient of interest on the Notes is a Specially-Related Person of the Issuer; or
- (iii) the recipient of interest on the Notes has a permanent establishment in Japan and such interest is attributable to a business in Japan conducted by such recipient; **provided, however, that** if such recipient has submitted a claim for exemption from Japanese withholding tax (*hikazei tekiyo shinkokusho*) provided under the Special Taxation Measures Law and such recipient is not a Specially-Related Person of the Issuer, such interest will not be subject to Japanese withholding tax but may be subject to Japanese income tax otherwise than by withholding.

If the recipient of the Redemption Premium, defined in Article 41-13 of the Special Taxation Measures Law, of Notes with Coupons is a Non-Resident Holder with no permanent establishment in Japan that is not a Specially-Related Person of the Issuer, no Japanese income or corporation taxes will be payable with respect to the Redemption Premium. If the receipt of the Redemption Premium is attributable to the business carried on in Japan by a Non-Resident Holder through a permanent establishment maintained by it in Japan and in certain other cases provided by the Cabinet Order, however, the Redemption Premium will be subject to Japanese income or corporation taxes.

Under current Japanese practice, HC and any Paying Agent may determine their withholding obligations in respect of Notes issued by HC held through a qualified clearing organisation in reliance on certifications received from such an organisation, and need not obtain certifications from any ultimate beneficial owner of such Notes. As part of the procedures under which such certifications are given, a beneficial owner may be required to establish that it is a Non-Resident Holder and not a Specially-Related Person of the Issuer to the person or entity through which it holds the Notes issued by HC. A Non-Resident Holder that holds the Notes issued by HC otherwise than through a qualified clearing organisation may be required to deliver a duly completed claim for exemption from Japanese withholding tax, and to provide documentation concerning its identity, residence and any other required information, to the relevant Paying Agent in order to receive interest from that Paying Agent free of Japanese withholding tax. HC and the relevant Paying Agent may adopt modified or supplemental certification procedures to the extent necessary to comply with changes in, or as otherwise permitted under, Japanese law or administrative practice.

Gains derived from the sale outside Japan of Notes by a Non-Resident Holder are in general not subject to Japanese income or corporation taxes. Gains derived from the sales in Japan of Notes and redemption premium of zero coupon Notes received by a Non-Resident Holder not having a permanent establishment in Japan are in general not subject to Japanese income or corporation taxes.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired Notes issued by HC as legatee, heir or donee.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes assuming that none of the certificates representing or evidencing the Notes will be delivered in Japan and the contracts are executed and delivered outside Japan.

TAIWAN

The following summary of certain taxation provisions under Taiwan law is based on current law and practice and assumes that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEX Rules only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes

As none of the Issuers are Taiwanese statutory tax withholders, there is no Taiwanese withholding tax on the interest or deemed interest to be paid by any of the Issuers on the Notes.

Payments of interest or deemed interest under the Notes to a Taiwanese individual holder are not subject to Taiwan income tax as such payments received by him/her are not considered to be Taiwan-sourced income. However, such holder must include the interest or deemed interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax (“**AMT**”), unless the sum of the interest or deemed interest and other non-Taiwan-sourced income received by such holder and the person(s) who is(are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollar (“**NT\$**”). If the amount of the AMT exceeds the annual income tax calculated pursuant to the Taiwan Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder’s AMT payable.

Taiwanese corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$ 500,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds in Taiwan is subject to 0.1 per cent. securities transaction tax (“**STT**”) on the transaction price. However, Article 2-1 of the Taiwan Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of any Notes in Taiwan will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes in Taiwan will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the applicable tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, Taiwanese individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, Taiwanese individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, Taiwanese corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes the Taiwanese corporate holders’ AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

Non-Taiwanese corporate holders with a fixed place of business (e.g., a branch) or a business agent in Taiwan are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-Taiwanese corporate holders without a fixed place of business and a business agent in Taiwan, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (“**FTT**”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Remittance of Renminbi into and outside the PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBoC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBoC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, the PBoC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for the eligible member companies in the group. On 5 September 2015, PBoC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBoC Circular**”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBoC Circular also provides that enterprises in the China (Shanghai) Free Trade Pilot Zone (“**Shanghai FTZ**”) may establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms by PBoC, the Ministry of Commerce of the PRC (“**MOFCOM**”) and the State Administration of Foreign Exchange of the PRC (“**SAFE**”), foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements for capital account payments in Renminbi are being removed gradually. In addition, the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (關於改革 外商投資企業外匯資金結匯管理方式的通知) which became effective on 1 June 2015 allows foreign-invested enterprises to settle 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE’s equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE’s system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs. A negative list with respect to the usage of the capital and the Renminbi proceeds through the

aforementioned settlement procedure is set forth under the Circular. In particular, a foreign invested enterprise with investment as its main business is permitted to use such Renminbi proceeds to make equity contribution to its invested enterprises directly, without further fillings with SAFE.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as “foreign debt”) and lend Renminbi-denominated loans to foreign borrowers (which are referred to as “outbound loans”), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as “cross-border security”). Under current rules promulgated by SAFE, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, PBoC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

According to the 2015 PBoC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

Enterprises within the Shanghai FTZ can borrow Renminbi from offshore lenders under a pilot account based settlement scheme within the prescribed macro prudential management limit. In addition, non-financial enterprises in the Shanghai FTZ are allowed to settle the foreign debt proceeds into Renminbi on a voluntary basis, provided that the proceeds should not be used beyond their business scope or in violation of relevant laws and regulations.

Pilot schemes relating to cross-border Renminbi loans, bonds, or equity investments have also been launched for, among others, enterprises in Shenzhen Qianhai, Jiangsu Kunshan, Jiangsu Suzhou Industrial Park.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

The Programme Dealers have, in an amended and restated dealer agreement (the “**Dealer Agreement**”) dated 17 December 2020, agreed with the Issuers and the Guarantor a basis upon which the Programme Dealers or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*” above. In the Dealer Agreement, each Issuer has agreed to reimburse the Programme Dealers for certain of their expenses in connection with the establishment and any further update of the Programme and the issue of Notes under the Programme. The Issuers may also agree to issue Notes to persons other than the Programme Dealers (“**Issue Dealers**”) on, and subject to, the terms of the Dealer Agreement.

UNITED STATES

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations thereunder.

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it will only offer, sell or deliver Notes in accordance with Regulation S under the Securities Act, and it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Programme Dealer has further agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of the sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Programme Dealer also represents and agrees (and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree) that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it, and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes and Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer shall agree as a term of the issue and purchase of such Notes. Each relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

Unless the Final Terms in respect of any Notes specify the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specify “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in any member state of the EEA or in the UK except that it may make an offer of such Notes to the public in a member state of the EEA or in the UK:

- (i) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) Fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) Other exempt offers: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuers or any Programme Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in the EEA or in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

UNITED KINGDOM

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or, in the case of HCUK, would not if it were not an authorised person, apply to the Issuers or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law and the Notes issued by (a) HC or (b) HCUK or HCA, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by such Issuer of the Notes through its permanent establishment in Japan as provided for in the Special Taxation Measures Law, are subject to the provisions of “foreign-issued company bonds” (*minkan kokugaisai*) under the Special Taxation Measures Law.

Accordingly, each of the Programme Dealers has represented and agreed, and each further Programme Dealer and Issue Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell Notes in Japan or to, or for the benefit of, any person resident in Japan for Japanese financial instruments law purposes (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws and regulations; and
- (ii) it has not, directly or indirectly, offered or sold and will not, as part of its initial distribution at any time, directly or indirectly, offer or sell any Notes (if issued by HCUK or HCA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by such Issuer of the Notes through its permanent establishment in Japan as provided for in the Special Taxation Measures Law) to, or for the benefit of, any person other than a Gross Recipient. A “**Gross Recipient**” for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that, in either case, is a Specially-Related Person of the Issuer, or (ii) a Japanese financial institution, designated by Article 3-2-2, Paragraph 29 of the Cabinet Order) that will hold the Notes for its own proprietary account.

PEOPLE’S REPUBLIC OF CHINA

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that Notes will not be offered or sold directly or indirectly within the PRC. This Offering Circular or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Offering Circular, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC Government authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

HONG KONG

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

SINGAPORE

Each Programme Dealer has acknowledged, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the “SFA”) and accordingly, each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are acquired by persons who are relevant persons specified in Section 275 of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or to any person where the transfer arises from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

TAIWAN

Subject to the paragraph below, the offering of the Notes has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

With respect to the Notes to be listed on the TPEX in Taiwan pursuant to the TPEX Rules, the above selling restriction is not applicable and following selling restriction shall apply instead: the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than “professional investors” as defined under Paragraph 1 of Article 2-1 of the TPEX Rules. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional investor.

GENERAL

Each Programme Dealer has agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any other Dealer shall have any responsibility therefor.

Without prejudice to the foregoing paragraph, none of the Issuers, the Guarantor or any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Exempt Notes or Notes which are the subject of a Pricing Supplement or Drawdown Prospectus, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement or Drawdown Prospectus.

GENERAL INFORMATION

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note, a Permanent Global Note, or a Global Registered Note, as the case may be, initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 21 December 2020.

Authorisations

The 2020 update of the Programme and the issue of Notes by HC during the one-year period from 17 December 2020 (subject to any necessary arrangements caused by the Merger) were authorised on 9 December 2020, by the Representative Executive Officer, President and Chief Executive Officer of HC who has an authority to do so, and is certified by the certificate dated 17 December 2020.

The 2020 update of the Programme and issue of Notes by HCUK and HCA were authorised by resolutions of the Board of Directors of HCUK and HCA dated 3 December 2020 and 14 December 2020, respectively.

Accounting Standards

Beginning from the fiscal year ended 31 March 2015, HC has prepared its consolidated financial statements in accordance with IFRS.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available (free of charge) at the website of the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) and/or the websites of HC (https://www.hitachi-capital.co.jp/hcc/english/company/csr_download.html) or HCUK (<https://www.hitachicapital.co.uk/financial-performance/>):

- (i) the constitutional documents of HC, HCUK and HCA (together with an English translation thereof, in the case of HC's articles of incorporation);
- (ii) the published audited consolidated annual financial statements of HC for the two most recent financial years, in English (in each case together with the independent auditor's reports prepared in connection therewith);
- (iii) the published audited consolidated annual financial statements of HCUK and the published audited consolidated annual financial statements of HCA for the two most recent financial years (in each case together with the audit reports prepared in connection therewith) and the most recent publicly available unaudited consolidated interim financial information (if any) of HCUK or unaudited consolidated interim financial information (if any) of HCA;
- (iv) the unaudited consolidated financial information for the three month period ended 30 June 2020 of HC;
- (v) the Merger Notice;
- (vi) the Schedule of Forms containing the forms of the global Notes, definitive Notes, the Receipts, the Coupons and the Talons from time to time issuable under the Programme;
- (vii) a copy of this Offering Circular; and
- (viii) any future offering circulars, prospectuses, Drawdown Prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA or in the UK nor offered in the EEA or in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation (including Exempt Notes)

will only be available for inspection by a holder of such Note and such holder must produce evidence of identity satisfactory to the Principal Paying Agent) to this Offering Circular and any other documents incorporated herein or therein by reference.

In addition, copies of each Final Terms relating to the Notes offered to the public in a member state of the EEA or in the UK (other than pursuant to one or more of the exemptions set out in Article 3(2) of the Prospectus Regulation) or admitted to trading on a regulated market in a member state of the EEA or in the UK will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. Such Final Terms will also be available for viewing on the UK National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).

The translation into English of HC's articles of incorporation is a direct and accurate translation of the document. In the event of any discrepancy between the English language version and the original language version of HC's articles of incorporation, the original language version shall prevail.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate common code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. As of the date of this Offering Circular, no arrangements have been made for Renminbi Notes to be cleared through the CMU.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price and Yield

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes will be calculated on an annual or semi-annual basis using the relevant issue price at the relevant issue date. It is not an indication of future yield.

Significant or Material Change

There has been no significant change in the financial position or financial performance of HC and its subsidiaries taken as a whole and no significant change in the financial position or financial performance of HCUK and its subsidiaries taken as a whole, in each case, since 30 September 2020, and no significant change in the financial position or financial performance of HCA and its subsidiary taken as a whole, since 31 March 2020. There has been no material adverse change in the prospects of HC, no material adverse change in the prospects of HCUK and no material adverse change in the prospects of HCA, in each case, since 31 March 2020.

Litigation

There are no, nor have there been any, governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which any Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have or have in the recent past had a significant effect on the financial position or profitability of any Issuer or any Issuer and its subsidiaries.

Independent Auditors

The independent auditors of HC are Ernst & Young ShinNihon LLC, (Registered Auditors and member of The Japanese Institute of Certified Public Accountants), who have audited HC's consolidated annual financial statements, without qualification, as of 31 March 2020 and 31 March 2019 and for each of the three years in the period ended 31 March 2020 in accordance with generally accepted auditing standards in the United States and for the financial year ended 31 March 2019 in accordance with generally accepted auditing standards in Japan.

Ernst & Young LLP (who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales) audited HCUK's financial statements, without qualification, for the financial years ended 31 March 2020 and 31 March 2019 in accordance with applicable law and International Standards on Auditing (UK and Ireland).

The auditors of HCA are Ernst & Young LLP (member of the American Institute of Certified Public Accountants), who have audited HCA's financial statements, without qualification, for each of the financial years ended 31 March 2020 and 31 March 2019 in accordance with generally accepted auditing standards in the United States.

Post Issuance Information

Save as set out in the Final Terms, the Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers Transacting with HC, HCUK and HCA

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to HC, HCUK and HCA and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of HC, HCUK and HCA and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Such Dealers and their affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of HC, HCUK and HCA and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with HC, HCUK and HCA routinely hedge their credit exposure to HC, HCUK and HCA consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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