HSBC USA INC.
and
HSBC TRUST COMPANY (DELAWARE), N.A.

CHARTER OF THE AUDIT COMMITTEE

I. Committee Purpose

The Audit Committee (the "Committee") is appointed by the Boards of Directors of HSBC USA Inc. ("HUSI" or the "Corporation") and HSBC Trust Company (Delaware), N.A. ("HTCD" or the "Bank") and is responsible, on behalf of the Boards, for oversight and advice to the Boards with respect to:

1.1) the integrity of the Corporation's/Bank's financial statements, reporting processes and effectiveness of internal control over financial reporting and disclosures;

1.2) the effectiveness and performance of the Corporation's/Bank's Internal Audit function;

1.3) the qualifications, independence, performance and remuneration of the Corporation's/ Bank's independent public registered accounting firm; and

1.4) the effectiveness of internal controls.

Inherently, internal control over financial reporting should provide assurance about reliability of material financial information throughout the Corporation/Bank, including information used for management analyses and regulatory reporting, but such assurance is defined and tested primarily with respect to financial statements.

II. Membership

The Committee shall consist of not less than three independent, non-executive Directors, who, with respect to the Bank, satisfy the requirements set forth in 12 C.F.R. § 363.5. The Board of Directors may from time to time appoint additional members to the Committee that it has determined to be independent. The appointment of the Chair, who shall be an independent, non-executive Director, and all Committee members shall be made by the Board of Directors upon recommendation of the HSBC North America Holdings Inc. Nominating and Governance Committee and shall be subject to endorsement by the HSBC Holdings plc ("Group") Nomination and Corporate Governance Committee. All Committee members shall be financially literate as determined by the Board. When appointing directors to the Committee, the Board shall have regard to the Committee collectively, possessing appropriate skills, experience and competence in relation to financial management relevant to the financial services sector. At least two members[1]

[1] *Appendix 32 to Part 363:. Banking or Related Financial Management Expertise. At least two members of the audit committee of a large institution shall have "banking or related financial management expertise" as required by section 36(g)(1)(C)(i).*

shall have "banking or related financial management expertise" pursuant to 12 C.F.R. § 363.5, which may be satisfied by meeting the "audit committee financial expert" requirement as defined by the U.S. Securities and Exchange Commission.

III. Attendance

Only members have the right to attend Committee meetings. The Chair may invite any Director, executive, independent auditor or other person to attend any meeting(s) of the Committee as they may from time to time consider desirable to assist the Committee in the satisfaction of its responsibilities.

IV. Meetings and Quorum

The Committee shall meet: (i) with such frequency as it may consider appropriate, subject to regulatory requirements (but in any event not less than four times per year); and (ii) periodically, but not less than twice annually, with the Chief Audit Executive ("CAE")/Head of Internal Audit and the independent auditor in separate executive sessions to ensure there are no unresolved issues or concerns to be considered by the Committee.

If the number of Committee members is odd, quorum to transact business will be a majority of Committee members. If the number of Committee members is even, a quorum to transact business will be one-half of the Committee members.

Each year, a schedule of matters to be considered by the Committee at its scheduled meetings will be presented to the Committee, which may be amended from time to time, to ensure Committee compliance with this Charter. The Committee will be supported by the Committee Secretary (who shall be the Corporate Secretary or their designee). The Committee Secretary shall produce materials and minutes of all meetings as appropriate and distribute them to all Committee members.

The Committee shall make regular reports to the Board on all matters set out in this Charter. The Committee shall also provide information believed to be pertinent to the performance of responsibilities of other committees of the Board to those committees, as appropriate.

V. Committee Responsibilities

The Committee shall have the following responsibilities, powers, discretions and authorities:

<u>Financial Reporting and Planning</u>

5.1) To monitor and critically assess the integrity of the financial statements of the Corporation/Bank, reviewing any significant financial reporting judgments contained in them. In so doing, the Committee shall review and discuss matters with management, Internal Audit and the independent auditors, and shall focus particularly on:

- the critical accounting principles, policies and practices, including changes to significant accounting policies and disclosures practices, as applicable;
- the effectiveness of model risk management for financial reporting;
- significant accounting judgments and adjustments;
- significant adjustments and unrecorded adjustments resulting from the independent auditor's review;
- going concern assumption and any qualifications;
- compliance with accounting standards;
- management's assessment of compliance with applicable accounting standards and other requirements in relation to financial reporting;
- management's assessment of compliance with any securities exchange listing or other legal requirements in relation to financial reporting;
- disclosure that describes the work of the Committee;
- specific disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations;
- comment letters from regulatory authorities relevant to the scope of the Committee's responsibilities and activities;
- any significant or unusual items that are, or may need to be, highlighted in the financial reports;
- matters brought to the Committee's attention by the Internal Audit function or by the Corporation's/Bank's independent auditor;
- financial reporting and related internal controls; and
- the Internal Audit function of the Corporation/Bank and its subsidiaries that could impact the integrity of the Corporation's/Bank's financial statements.

5.2) To review the Corporation's/Bank's financial and accounting policies and practices.

5.3) To review and discuss with management, Internal Audit and the independent auditors the annual financial statements of the Corporation/Bank, including, in the case of the Corporation/Bank, critical accounting policies and disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and to recommend to the Corporation's/Bank's Board whether the audited financial statements should be included in the Corporation's/Bank's Annual Report on Form 10-K. To advise the Board of management's position that the annual financial statement, taken as whole, is fair, balanced and understandable and provides the information necessary to assess the Corporation's/Bank's position and performance as applicable in the Corporation's/Bank's jurisdiction. To recommend to the Board that the audited financial statements be included in the Corporation's/Bank's Annual Report on Form 10-K.

5.4) To review and discuss with management, Internal Audit and the independent auditors the Corporation's/Bank's quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, including the results of the independent auditors' review of the quarterly financial statements and disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

5.5) The Corporation/Bank to provide half-yearly certificates to the Group Audit Committee in the form required by the Group Audit Committee for the interim and full year results.

5.6) To discuss with management generally the parameters and manner of presentation of financial information and guidance provided to rating agencies. The Committee need not discuss in advance the particulars of any financial information or guidance provided to the rating agencies.

5.7) To review and discuss with management, including the Internal Audit function, as well as the independent auditor, the adequacy and effectiveness of the Corporation's/Bank's internal financial control system relating to financial reporting and the Corporation's/Bank's disclosure controls and procedures, and management reports thereon. The Committee will endorse the content of any statement relating to internal controls over financial reporting in the financial statements. In its review of adequacy and effectiveness of the Corporation's/Bank's internal financial control system, the Committee will consider the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions, their training programs, budgets and succession planning for key roles in the functions.

5.8) To receive an annual report, or such other reports from time to time as may be required by applicable laws and regulations, from the Chief Executive Officer and Chief Financial Officer to the effect that such persons have disclosed to the Committee and to the independent auditor all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which could adversely affect the Corporation's/Bank's ability to record and report financial data and any fraud, whether material or not, that involves management or other employees who have a significant role in the Corporation's/Bank's internal controls over financial reporting.

<u>Internal Audit</u>

5.9) To annually review and approve the Internal Audit Charter.

5.10) To oversee the work of Internal Audit and approve and recommend to the Board, the appointment and removal of the CAE. The Committee shall also review the CAE's annual key objectives, performance review and compensation.

5.11) To receive regular reports from Internal Audit concerning significant findings of internal audits and management's response to those findings.

5.12) To review and approve the annual Internal Audit Plan and its execution and ensure that the Internal Audit Plan is aligned to the key risks of the business and includes evaluation of the effectiveness of the local Finance function.

5.13) To review and approve the Internal Audit budget, review the risk assessment methodology and review the organizational structure of the Internal Audit function. In its review of adequacy and effectiveness of the Corporation's/Bank's Internal Audit function (including

an external review every five years), the Committee will consider the adequacy of resources, professional qualifications and experience of staff of the Internal Audit function, their training programs, budgets and succession planning for key roles in the function.

5.14) To review, on at least an annual basis, and routinely monitor the effectiveness of the Internal Audit function and the coordination between the internal and independent auditors, and obtain assurance, on at least an annual basis, that the Internal Audit function has appropriate standing within the Corporation/Bank and is free from constraint by management or other restrictions.

5.15) To consider Internal Audit's significant findings of compliance testing and significant internal investigations in respect of internal control over financial reporting matters, and assess management's response, and to receive reports regarding any fraud, regardless of materiality, that involves management or other employees who have a significant role in the Corporation's/Bank's internal controls over financial reporting.

5.16) To consider Internal Audit's significant findings of compliance testing and internal investigations in respect of internal controls and assess management's response.

Independent Auditor

5.17) To review the terms of appointment, re-appointment, or removal of the independent auditor, subject to approval by the Board and ratification by the Corporation's/Bank's common shareholder and approve their remuneration and terms of engagement. The independent auditors report directly to the Committee.

5.18) To oversee the implementation by management of the HSBC Group policy on engagement of the independent auditor to supply non-audit services, taking into account relevant regulatory requirements.

5.19) To approve in advance the supply of any non-audit services by the independent auditor: (a) considering the impact this may have on independence, (b) taking into account the relevant regulations and ethical guidance in this regard, (c) agreeing the terms of engagement; and (d) the fees for any such services; and report to the Board on any improvement or action required.

5.20) To review and monitor the qualifications, competence, objectivity, effectiveness of the audit process and independence of the independent auditor, which review shall include review of a report from the independent auditor at least annually regarding: (a) the independent auditor's internal quality control procedures; (b) the independent auditor's self-assessment and related processes regarding its independence from the Corporation/Bank; (c) any material issues raised by its most recent quality control review, or a peer review of the auditor, or by any inquiry or investigation by government or professional authorities within the preceding five years with respect to one or more

independent audits by the independent auditor; (d) any steps taken to deal with any such issues; and (e) all relationships between the independent auditor and the Corporation/Bank.

5.21) To review and discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standards, including general approach, nature and scope of the audit and reporting obligations throughout the audit process including:

- the nature of any significant unresolved accounting and auditing problems and reservations arising from its interim reviews and final audits
- major judgmental areas (including all critical accounting policies and practices used by the Corporation/Bank and changes thereto)
- alternative accounting treatments that have been discussed with management together with the potential ramifications of using those alternatives (and the treatment preferred by the independent auditor)
- significant adjustments
- the going concern assumption
- related party matters
- compliance with accounting standards, stock exchange rules and legal requirements, reclassifications or additional disclosures proposed by the external auditor which are significant or which may in the future become material
- the nature and impact of any material changes in accounting policies and practices
- any written communications provided by the external auditor to management
- the resolution of disagreements between management and the independent auditor and any other matters the external auditor may wish to discuss (in the absence of management where necessary).

5.22) To review the independent auditor's report on the progress of the audit, including any material issues raised to management in respect of the accounting records, financial accounts or systems of internal control over financial reporting and management's responses. The Committee will require a timely response and monitor the status of action taken in response to any matters communicated by the independent auditor. The Committee shall review management representation letters to the independent auditor to determine that the independent auditor is advised of any significant deficiencies, as well as material weaknesses in internal controls of which the Committee is aware. Any material issues arising which relate to the management of risk may be referred to the Corporation's/Bank's Risk Committee, as appropriate.

5.23) To oversee the rotation of the Corporation's/Bank's lead external audit partners having primary responsibility for the audit and the audit partner responsible for reviewing the audit, as required by law.

5.24) To oversee management's compliance with the Corporation's/Bank's policy for the hiring of partners, directors and employees or former partners, directors and employees of the independent auditor and to review the quarterly reports regarding any such persons hired by the Corporation/Bank or its subsidiaries. Such policies shall be at least as restrictive as Group policies.

Internal Controls

5.25) To review the effectiveness of the Corporation's/Bank's and its subsidiaries' internal controls, with input from the Board Risk Committee on internal controls relevant to its responsibilities.

5.26) To oversee periodic assessments of internal controls and the remediation of identified internal control deficiencies and review any internal control-related disclosures.

5.27) To review the effectiveness of the Corporation's/Bank's and its subsidiaries' internal controls over financial reporting including: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (including any annual report, and other reports as required by applicable laws and regulations, from the Corporation's/Bank's Chief Executive Officer and Chief Financial Officer (or equivalent) that such person have disclosed to the Committee and to the external auditor) which could adversely affect the Corporation's/Bank's ability to record and report financial data and any fraud, whether material or not, that involves management or other employees who have a significant role in the Corporation's/Bank's internal controls over financial reporting; (ii) how effectively management is embedding and maintaining an effective internal control over financial reporting environment; and (iii) actions to remediate internal controls over financial reporting which are identified as not operating effectively; and review, and, if appropriate, approve the content of the statement relating to the effectiveness of internal controls over financial reporting in the annual report, or its equivalent, for submission to the Board.

Whistleblowing

5.28) To oversee and annually review procedures and reports maintained by management for the receipt, identification, retention, treatment and resolution of employee complaints regarding matters concerning: (i) accounting; (ii) internal accounting controls or auditing matters; and (iii) for the confidential, anonymous submission by employees of concerns regarding questionable behavior or potential violation of law or HSBC's Principles and Values.

5.29) To review, reports setting out local cases, the key themes and trends and actions taken to address those.

Escalations

5.30) The Committee shall escalate any matters that may have a material impact on the Corporation/Bank or Group, to the Chair of the Group Audit Committee or the Group Audit Committee, respectively.

5.31) Where the Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on action needed to address the issue or to make improvements and shall report any such concerns to the Group Audit

Committee and/or Group Risk Committee as appropriate; or to any audit and/or risk committee of an intermediate holding company as appropriate.

Other

5.32) To review with senior management, including the Head of Tax, the processes for identifying material tax issues, significant tax positions, uncertain tax positions and the adequacy of reserves corresponding to uncertain tax positions.

5.33) To report to the Board on the matters set out in this Charter and how the Committee has discharged its responsibilities.

5.34) In its discretion, to retain special counsel, advisors, accounting experts, or other consultants and to consider from time to time any other matters which the Committee believes are required of it in keeping with its responsibilities. In its discretion, the Committee may obtain such professional external advice as it shall deem appropriate to take account of relevant risk experience outside the Corporation/Bank and challenge its analysis and assessment. Any such appointment shall be made through the Secretary, who shall be responsible, on behalf of the Committee, for the contractual arrangements and payment of fees by the Corporation/Bank.

5.35) To engage in an annual self-assessment with the goal of continuing improvement, and to review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

5.36) To provide to the Board such additional assurance as it may reasonably require regarding the reliability of the Corporation's/Bank's financial information

5.37) As requested by the Office of the Comptroller of the Currency ("OCC"), to meet with examiners from the OCC to discuss findings of OCC reviews of the Bank, including the OCC's conclusions regarding the Bank's internal audit function.

5.38) To perform any other duties or responsibilities expressly delegated to the Committee by the Boards from time to time, to provide the Boards with such assurance as it may reasonably require regarding the reliability of the Corporation's/Bank's financial information and to consider and undertake such tasks or matters as the Chair of the Board may request from time to time.

The Committee may consider any matter relating to, and may request any information as it considers appropriate, from any audit committee, risk committee or other committee to effectively discharge its responsibilities under the Charter.

Material deviations from the Group Core Terms of Reference Principles shall require notification to the Group Audit Committee.

Where there is a perceived overlap of responsibilities between the Committee and the Board or another Board committee, the respective Chairs shall have the discretion to agree to the most appropriate forum to fulfill any obligation. An obligation under the Charter of any Board Committee will be deemed by the Board to have been fulfilled, provided it is dealt with by the Committee, the Board or any other Board Committee.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's/Bank's financial statements are complete and fairly presented in all material respects in accordance with generally accepted accounting principles. Additionally, it is not the duty of the Committee to conduct investigations or to otherwise assure compliance with laws and regulations or codes of ethics that apply to the Corporation/Bank and its subsidiaries. Management is responsible for the quality, accuracy and integrity of the Corporation's/Bank's accounting practices, financial statements and reporting and internal controls. The independent auditor is responsible for performing an audit of the Corporation's/Bank's financial statements.

10/22/2026