HSBC USA INC. ("HUSI") &
HSBC TRUST COMPANY (DELAWARE), N.A. ("HTCD")
CHARTER OF THE
RISK COMMITTEE

I. Committee Purpose

The Risk Committee ("Committee") is appointed by the Boards of Directors (the "Boards") of HSBC USA Inc. and HSBC Trust Company (Delaware), N.A. (together, the "Corporation") and is responsible, on behalf of the Boards, for oversight and advice to the Boards on high level risk related matters impacting the Corporation and its subsidiaries and risk governance with respect to:

1) the Corporation's risk appetite, tolerance and strategy;

2) systems of risk management and internal control (other than internal controls over financial reporting) to identify, measure, aggregate, control and report risks;

3) the management of capital levels and regulatory ratios, related targets, limits and thresholds and the composition of the Corporation's capital;

4) the alignment of strategy with the Corporation's risk appetite, as defined by the Board;

5) the oversight of regulatory and financial crime compliance and conduct related matters, including the oversight of the Corporation's policies, procedures and standards as they relate to conduct and development of responsible business practices, in accordance with HSBC Group's values and culture, and in conformance with all applicable laws, rules and regulations;

6) the management of the Corporations enterprise-wide fiduciary activities; and

7) the maintenance and development of a supportive and proactive risk management culture.

II. Committee Composition and Meetings

The Committee shall consist of not less than three independent, non-executive Directors. In addition, Directors who do not meet the criteria for independence may serve as non-voting members. The Board may, from time to time, appoint additional members to the Committee that it has determined to be independent. The Chair of the Board may serve as an *Ex officio* member of the Committee, and shall be entitled to vote on any matters brought before the Committee; provided, however, that the *Ex officio* member shall not be included in the count when determining the number needed for quorum, or determining whether a quorum is present. The appointment of the Chair, who shall be an independent, non-executive Director, and all Committee members, shall be made by the Board and subject to the endorsement by the Group Nomination & Corporate Governance Committee.

The Chair shall ensure that the Committee meets with sufficient notice and frequency as it may consider appropriate and at such times as it may determine. It is expected that the Committee shall meet at least four times a year. If the total number of Directors on the Committee is odd, a quorum to transact business at the meeting will be a majority of the Directors. If the total number of Directors is even, a quorum will exist if one-half of the Directors are present. Each year, a schedule of matters to be considered by the Committee at its scheduled meetings will be presented to the Committee and may be amended from time to time to ensure Committee compliance with this Charter. The Secretary of the Committee shall produce minutes of all meetings and the Committee shall make regular reports to the Board on the matters set forth 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. Only members have the right to attend Committee meetings. Any other person can attend, by invitation of the Chair for the whole or part of the meeting.

III. **Committee Responsibilities**

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

1. To oversee and advise the Board on all high-level risk related matters, including both financial and non-financial risks. In providing such oversight and advice to the Board, the Committee shall oversee, inter alia (a) current and forward-looking risk exposures; (b) the Corporation's risk appetite and future risk strategy, including capital and liquidity management strategy; and (c) management of risk within the Corporation, in alignment with the Global Risk Management Framework and the Corporation’s Addendum.

2. To advise the Board on risk appetite related matters. In preparing advice to the Board on overall risk appetite, the Committee shall:

   (i) satisfy itself that risk appetite informs the Corporation's strategy and business plans;

   (ii) review reports, to satisfy itself that the Corporation’s approach to the determination of its risk appetite is aligned with regulatory requirements;

   (iii) seek assurance that account has been taken of the current and prospective macroeconomic and financial environment, drawing on relevant financial stability assessments published by authoritative sources;

   (iv) review and recommend to the Board for approval, the Corporation’s Risk Appetite Statement and Risk Appetite Framework, at a minimum on an annual basis;

   (v) review and approve the Corporation’s Individual Liquidity Adequacy Assessment Process (“ILAAP”), and, following that approval, escalate any material issues raised during the Committee’s ILAAP review, as applicable;

   (vi) review and satisfy itself that the Corporation’s stress testing framework, governance and related internal controls are sufficiently robust;

(vii) review management's interpretation of the scenarios prescribed by regulatory authorities, including areas of judgment;

(viii) review the results of, and supporting information for, appropriate stress and scenario testing;

(ix) review and approve the Corporation's final stress testing submissions to regulatory authorities;

(x) review and recommend to the Board for approval, material regulatory submissions, including the Internal Capital Adequacy Assessment Process and the Internal Liquidity Adequacy Assessment Process, satisfying itself with regards to the completeness of the submissions and their consistency with the principles of the Corporation's Risk Appetite, as appropriate.

The responsibilities set forth in items (vi)-(x) above may be managed by the Board.

3. To oversee management's implementation of the enterprise risk management framework. In providing such oversight, the Committee shall:

(i) review and approve the framework at least annually.

(ii) to oversee implementation of risk data aggregation and risk reporting principles and review and approve the Corporation's risk data aggregation and risk reporting framework;

(iii) review reports to satisfy itself that internal risk management control systems and culture are sufficiently robust;

(iv) review reports from Global Internal Audit relating to risk management and internal controls; and

(v) consider any material findings from regulatory reviews and interactions with regulators in relation to risk governance, conduct of business, risk assessment, or management process.

4. In discharging its responsibilities in regard to the Corporation's relationship with its regulators, the Committee shall oversee: (a) compliance with any material supervisory actions taken by any state or federal regulators of the Corporation and its subsidiaries; (b) sustainability of corrective actions taken as a result of any supervisory measures; and (c) remediation of material deficiencies in compliance with laws, rules and regulations.

5. To review and advise the Board, and/or the Nominating and Governance Committee, on the Corporation's alignment of remuneration with risk appetite.

6. To consider the risks associated with proposed material acquisitions/disposals, focusing in particular on the resulting implications for the risk appetite and tolerance of the Corporation; as requested from time to time by the Chair of the Board.

7. To review regular risk management reports, including the Corporation's enterprise risk reports, which enable the Committee to:

   (i) evaluate management's approach to managing the Corporation's Risk Profile, including how risks arising from the Corporation's business activities are identified, monitored, measured and mitigated;

   (ii) give explicit and dedicated focus to current and forward-looking aspects of risk exposure which may require an assessment of the Corporation's vulnerability and resiliency to previously unknown or unidentified risks;

   (iii) review, using customer satisfaction levels as a key performance indicator, the effectiveness of the Corporation's conduct framework, designed to deliver fair outcomes for customers, preserve the orderly and transparent operation of financial markets and protect the Corporation against adverse outcomes (including reputational damage) to the Corporation's financial and non-financial condition and prospects. Such review shall include within its scope: product design; suitability; sales processes and incentives; after-sale services and transparency of fees; and

   (iv) provide any additional assurance the Board may require, based on thorough review and challenge, regarding the reliability of risk information submitted to it.

8. To review reports from management on appropriate levels and composition of capital as well as related controls established as part of the capital management and planning process, given the Corporation's risk profile, applicable regulatory or statutory requirements, current and planned business activities, projected asset growth and target capital levels, limits and thresholds. The Committee will evaluate such reports and make recommendations to management as to any changes it deems appropriate to ensure that consolidated capital is commensurate with the level and nature of risks to which the Corporation is exposed.

9. To review reports from representatives of each of the Wholesale Credit Risk, Retail Credit Risk, and Credit Risk Review functions, to enable the Committee to oversee the Corporation's and its subsidiaries' credit quality and to assess the Corporation's major credit risk exposure and the steps management has taken to monitor and control such exposures.

10. To review reports from management that enable the Committee to assess the Corporation's exposure to market, interest rate, trading and liquidity risks, and the steps taken by management to monitor and control such exposures.

11. To review and discuss with management the Corporation's overall operational risk profile, assess whether it remains within the limits of the Risk Appetite Statement, and the steps taken by management to monitor and control such exposures.

    In this regard, the Committee shall:

    (i) review, with senior management, including the General Counsel and Chief Risk Officer, and, as appropriate, approve, guidelines and policies to govern the process for assessing and managing other risk topics, including, but not limited to, litigation risk and reputational risk; and

    (ii) receive reports, review, and advise the Board as to the effectiveness of policies to address risks related to: (a) information technology and cyber security, including the adequacy of the Corporation's information technology and operational resiliency programs; (b) risk to customer information; and (c) significant third party outsourcing relationships; (d) models and model risk management.

12. To provide ongoing oversight on the effectiveness, sustainability and auditing of the Corporation's Financial Crime and Regulatory Compliance programs. In so-doing, the Committee shall receive regular reports from the Chief Compliance Officer, the Bank Secrecy Act/Anti-Money Laundering ("BSA/AML") Officer and other management, as appropriate. Such management reporting shall include:

    (i) key trends and metrics, results of internal compliance-related risk assessments, and significant second line-identified findings; breaches of established thresholds against operational risk indicators; events relating to Regulatory Compliance (including the Community Reinvestment Act, Fair Lending, the Volcker Rule and swap dealer matters and unfair, abusive or deceptive acts or practices); and Financial Crime Risks (including BSA/AML and Office of Foreign Asset Control);

    (ii) at least annually, and more frequently as appropriate, programs designed to ensure the timely and accurate identification and reporting, by the Corporation and its subsidiaries, of all known or suspected violations of law or suspicious or unusual activities to law enforcement and supervisory authorities, as required by applicable suspicious activity reporting laws and regulations;

    (iii) oversee policies and procedures on conduct of business, including those relating to competition laws and conduct in financial markets (trade execution, information exchange and management of conflict of interest).

13. To oversee fiduciary activities conducted within the Corporation and its subsidiaries, including management's exercise of fiduciary responsibilities and powers, as defined by and required under laws, rules and regulations applicable to fiduciary activities. In this regard, the Committee shall review quarterly reports from Fiduciary Compliance to include updates on fiduciary business activities.

14. To review and discuss, with the Chief Risk Officer, the composition and effectiveness of the Corporation's risk management function, to determine whether there is any scope or resource limitations that would impede the ability of independent risk management to execute its responsibilities effectively. The Committee shall seek such assurances as it may deem appropriate that the risk management function (a) is adequately resourced (taking into account the qualifications and experience of senior management of the risk management function, its training programs, budget and succession planning for key roles in the function); and (b) has appropriate standing within the Corporation, and is free from management or other constraints. The Committee shall review the financial resource plan for the risk management function and receive regular reports on progress against the plan.

15. To review and discuss, with the Chief Compliance Officer, the composition and effectiveness of the Corporation's compliance function, to determine whether there are any scope or resource limitations that would impede the ability of independent compliance management to execute its responsibilities effectively. The Committee shall seek assurances as it may deem appropriate that the compliance function is adequately resourced (taking into account qualifications and experience of the senior management of the compliance function as well as its training programs, budget, and succession planning for key roles in the function) has appropriate standing within the Corporation, and is free from management or other constraints. The Committee shall review the annual operating plan for the Compliance function and receive a semi-annual report on the state of the Compliance function and progress under the financial resource plan and other matters relating to compliance risk and the Company's relationship with its regulators.

16. The Committee shall seek such assurance, as it may deem appropriate that (a) the Chief Risk Officer; and (b) the Chief Compliance Officer:

    (i) are satisfied that risk originators in the businesses understand and are aligned with the Corporation's risk appetite;

    (ii) are independent of individual business units;

    (iii) report to the Committee, and have internal functional reporting lines to the Group Chief Risk Officer and Chief Compliance Officer respectively;

    (iv) cannot be removed from office, without the prior agreement of the Board; and

    (v) have unfettered access to the Chair of the Committee, as needed.

17. To recommend to the Board, the approval of the appointment or replacement of the Chief Risk Officer. The Committee shall review the annual key objectives and performance review of the Chief Risk Officer, the Chief Compliance Officer, the Head of Credit Risk Review and the Chief Compliance Officer of the Swap-Dealer.

18. To oversee the ongoing development of a robust and sustainable (a) risk management; and (b) compliance, culture, including the execution of initiatives to instill a culture in which:

    (i) risk is proactively identified and managed within local businesses and operations;

    (ii) there is strong emphasis on accountability and strict compliance with both the spirit and letter of laws and regulations, in addition to local as well as applicable HSBC Group-wide policies and procedures;

    (iii) the respective responsibilities of local businesses and operations; the control functions; and Global Internal Audit are fully understood and respected; and

    (iv) regular and appropriate risk and compliance management training of all staff is conducted.

19. To review any issue arising from: (a) the independent auditor's annual report on the progress of the external audit; (b) any queries raised to management by the independent auditor; or (c) the independent auditor's observations of the Corporation's (i) regulatory standing and compliance; or (ii) general competitive standing, in each case, requiring a timely response to be provided by management on material issues relating to the management of risk or internal controls (other than internal controls over financial reporting) that has been referred to the Committee by the Corporation's Audit Committee, or as this Committee shall consider appropriate.

20. To: (a) review and approve, at least annually, the US Code of Conduct; Financial Crime Policy, Enterprise Compliance Policy and Program; as appropriate and (b) review, at least annually, the Terms of Reference of the Risk Management Meeting, and Fiduciary Risk Management Meeting; and (c) from time to time, as the Committee deems appropriate or necessary, review minutes of the management meetings and/or such further information from these meetings as the Committee may request.

21. To perform any other duties or responsibilities expressly delegated to the Committee by the Board, from time to time, and undertake or consider on behalf of the Chair or the Board such other related tasks or topics as the Chair or the Board may request.

22. To provide the Chief Risk Officer with the opportunity to meet with the Committee, in executive session, at least quarterly; and each of the following shall be provided the opportunity to meet with the Committee, in executive session, at least twice a year with each of (a) the Chief Internal Audit; (b) the Chief Compliance Officer; and (c) the independent auditor, in each case to ensure that there are no unresolved issues or concerns to be considered by the Committee.

23. The Committee shall meet, in executive session, with the Head of Credit Risk Review, at least once each year, to ensure that there are no unresolved issues or concerns and to review the adequacy and effectiveness of the Corporation's Credit Risk Review function. The Committee shall seek such assurances as it may deem appropriate that the Credit Risk

Review function (a) is adequately resourced; (b) has appropriate standing within the Corporation, (c) is independent of individual business units and other functions. The Committee shall further seek assurances that the qualifications and experience of the senior management of the function and the training programs, budgets and succession planning for key roles in the function, remain appropriate.

24. Where applicable, with regard to any subsidiary companies' non-executive risk committee, the Committee shall: (a) endorse the members for appointment to those committees; (b) review the composition, powers, duties and responsibilities of those committees; (c) oversee the implementation of mechanisms to facilitate the communication and escalation from such subsidiary companies' committees of matters for the Committee's attention, including seeking documentation, certifications or assurances such as copies of minutes, periodic certifications, confirmation of adopting best practice, and other forms of sharing information; (d) foster interconnectivity and common governance principles and; (e) discuss such matters as the Committee deems appropriate with the chair or other members of such committees. The Risk Committee shall also review the charters of those committees and approve material deviations from such core terms.

25. To engage in an annual self-assessment in support of continuing improvement; to review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval; and to report annually to the Board as to how the Committee has discharged its responsibilities and recommend any actions needed to resolve any concerns or make improvements.

26. To interact with the Group Risk Committee and/or its chair, as appropriate.

27. To escalate any matters that the Committee believes may have a material impact on the Corporation or the Group, to the Chair of the Group Audit Committee or Group Risk Committee, as appropriate.

28. Where applicable, to review and endorse the content of the risk disclosures or statements, contained in the annual Form 10-K filed with the U.S. Securities and Exchange Commission by the Corporation or its subsidiaries, including the assessment of principal risks facing the Corporation or its subsidiaries and the articulation of how the different risk areas are managed across the Corporation and the role of the Committee in providing oversight.[1]

29. To provide a forward-looking perspective to the Board, on financial crime risk, including but not limited to, oversight of matters relating to:

    (i) financial crime risk and financial system abuse, anti-money laundering, sanctions, terrorist financing and proliferation financing;

    (ii) anti-bribery and corruption controls; and

    (iii) the Corporation's potential exposure to financial crime and systems abuse.

[1] Applicable to HSBC USA Inc.

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 which has responsibility for the oversight of risk within the Corporation.

Material deviations[2] from the Group Subsidiary Risk Committee Terms of Reference Principles shall require notification to the Group Risk Committee.

In its discretion, the Committee may retain special counsel, advisors, experts, or consultants to consider, from time to time, any other matters which the Committee believes are required of it in accordance 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 and challenge its analysis and assessment. Any such appointment shall be made through the Corporate Secretary, who shall be responsible, on behalf of the Committee, for the contractual arrangements and payment of fees by the Corporation.

Where there is a perceived overlap of responsibilities between the Committee and the Board or other Board Committee, the respective Chairs shall have the discretion to agree the most appropriate forum to satisfy such obligation. Any obligation under this Charter 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.

Where the Committee's monitoring and review activities reveal cause for concern, or scope for improvement, the Committee shall recommend to the Board, actions needed to address such concern or to make improvements, and shall report the same to the Group Risk Committee and/or Group Audit Committee, or to any risk and/or audit committee of an intermediate holding company, as appropriate.

While the Committee has the oversight responsibilities and powers set forth in this Charter, it does not assume responsibility for the day-to-day identification, measurement, monitoring, or control of risk. These responsibilities reside with management, the Front Line and Independent Risk Management, consistent with the Corporation's risk governance framework and regulatory expectation. Additionally, it is not the duty of the Committee to conduct investigations, or to otherwise ensure compliance with laws, regulations or codes of ethics applicable to the Corporation and its subsidiaries.

10/22/2025

[2] 'Material deviations' shall refer to lessening or diminishing of responsibilities contained in the Group Subsidiary Risk Committee Terms of Reference Principles.