

HSBC Holdings plc

Employee Share Plans 30 June 2018

Employee Share Plans

In accordance with the terms of a waiver granted by the Hong Kong Stock Exchange on 24 December 2010, full details of options under Employee Share Plans required pursuant to Listing Rules 17.07 and 17.09 are disclosed below. These disclosures are also available on the Hong Kong Stock Exchange's website at www.hkex.com.hk and can be obtained upon request from the Group Company Secretary, 8 Canada Square, London E14 5HQ.

Employee share plans

Share options and discretionary awards of shares are granted under HSBC Share plans to help align the interests of employees with those of shareholders.

Set out on pages 1 and 2 are particulars of outstanding options, including those held by employees working under employment contracts that are regarded as 'continuous contracts' for the purposes of the Hong Kong Employment Ordinance. The options were granted for nil consideration. No options have been granted to substantial shareholders, suppliers of goods or services or in excess of the individual limit for each share plan. No options were cancelled by HSBC during the period. The options which were granted, exercised or lapsed during the period are detailed in the tables below. Particulars of options held by Directors of HSBC Holdings are set out on page 111 in the *Interim Report 2018*.

All-employee share plans

The HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International are all-employee share plans under which eligible employees have been granted options to acquire HSBC Holdings ordinary shares. There are no outstanding options under the HSBC Holdings Savings-Related Share Option Plan: International and the plan ceased on 31 January 2018. The HSBC International Employee Share Purchase Plan was introduced in 2013 and now includes employees based in 27 jurisdictions.

For options granted under the HSBC Holdings Savings-Related Share Option Plan, employees save up to £500 each month over a period of three or five years. Employees may elect within six months following the third or fifth anniversary of the commencement of the relevant savings contract, to use these savings, to exercise the options. Alternatively, the employee may elect to have the savings, plus (where applicable) any interest or bonus, repaid in cash. In the case of redundancy, ceasing employment on grounds of injury or ill health, retirement, the transfer of the employing business to another party, or a change of control of the employing company, options may be exercised before completion of the relevant savings contract. In certain limited circumstances, in accordance with the plan rules, the exercise period of options granted under the all-employee share plans may be extended.

The terms set out in the preceding paragraph also applied to options granted up to April 2012 under the HSBC Holdings Savings-Related Share Option Plan: International, with the exception that contributions were capped at the equivalent of £250 each month.

Under the HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International, the option exercise price has been determined by reference to the average market value of the ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20%. Where applicable, the US dollar, Hong Kong dollar and euro exercise prices were converted from the sterling exercise price at the applicable exchange rate on the working day preceding the relevant invitation date. The HSBC Holdings Savings-Related Share Option Plan will terminate on 23 May 2025 (at which time the plan may be extended with approval from Shareholders) unless the Directors resolve to terminate the plan at an earlier date.

HSBC Holdings Savings-Related Share Option Plan

Date of award	Exercise price (£)	Exercisable		HSBC Holdings ordinary shares				
		from	until	At 1 Jan 2018	Granted in period	Exercised in period ¹	Lapsed in period	At 30 Jun 2018
24 Apr 2012	4.4621	1 Aug 2017	31 Jan 2018	85,859	–	78,227	7,632	–
20 Sep 2013	5.4738	1 Nov 2018	30 Apr 2019	648,881	–	19,963	11,777	617,141
23 Sep 2014	5.1887	1 Nov 2017	30 Apr 2018	686,762	–	579,750	76,853	30,159
23 Sep 2014	5.1887	1 Nov 2019	30 Apr 2020	2,010,953	–	61,074	59,863	1,890,016
22 Sep 2015	4.0472	1 Nov 2018	30 Apr 2019	25,186,216	–	800,959	564,987	23,820,270
22 Sep 2015	4.0472	1 Nov 2020	30 Apr 2021	13,037,351	–	199,433	355,949	12,481,969
21 Sep 2016	4.4037	1 Nov 2019	30 Apr 2020	9,685,018	–	107,120	436,390	9,141,508
21 Sep 2016	4.4037	1 Nov 2021	30 Apr 2022	3,005,670	–	20,803	125,461	2,859,406
21 Sep 2017	5.9640	1 Nov 2020	30 Apr 2021	8,036,486	–	21,730	570,884	7,443,872
21 Sep 2017	5.9640	1 Nov 2022	30 Apr 2023	2,182,907	–	1,255	120,582	2,061,070
				64,566,103		1,890,314	2,330,378	60,345,411

¹ The weighted average closing price of the shares immediately before the dates on which options were exercised was £7.2456.

HSBC Holdings Savings-Related Share Option Plan: International

Date of award	Exercise price (£)	Exercisable		HSBC Holdings ordinary shares				
		from	until	At 1 Jan 2018	Granted in period	Exercised in period ¹	Lapsed in period	At 30 Jun 2018
24 Apr 2012	4.4621	1 Aug 2017	31 Jan 2018	38,829	–	25,295	13,534	–
				38,829	–	25,295	13,534	–
	(\$)							–
24 Apr 2012	7.1456	1 Aug 2017	31 Jan 2018	17,873	–	11,064	6,809	–
				17,873	–	11,064	6,809	–
	(€)							–
24 Apr 2012	5.3532	1 Aug 2017	31 Jan 2018	10,539	–	8,486	2,053	–
				10,539	–	8,486	2,053	–
	(HK\$)							–
24 Apr 2012	55.4701	1 Aug 2017	31 Jan 2018	36,309	–	20,631	15,678	–
				36,309	–	20,631	15,678	–

¹ The weighted average closing price of the shares immediately before the dates on which the options were exercised was £7.7119.

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