

HSBC HOLDINGS PLC

(WEBSITE ONLY) EMPLOYEE SHARE PLANS

31 December 2013

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 2 to 4 are particulars of outstanding share 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 at 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 year.

Employee share plans are subject to the following limits on the number of HSBC Holdings ordinary shares that may be subscribed for. In any 10-year period not more than 10% of HSBC Holdings ordinary shares in issue from time to time (approximately 1,883 million HSBC Holdings ordinary shares at 24 February 2014) may be issued or committed to be issued under the HSBC Share Plan 2011 and all other employee share plans operated by HSBC Holdings. In any 10-year period not more than 5% of HSBC Holdings ordinary shares in issue from time to time (approximately 942 million HSBC Holdings ordinary shares on 24 February 2014) may be issued or committed to be issued under the HSBC Share Plan 2011 and all other discretionary share plans adopted by HSBC Holdings. The number of HSBC Holdings ordinary shares which may be issued upon exercise of all options under the HSBC Share Plan 2011 and options granted under any other employee share plan operated by HSBC Holdings must not exceed 1,781,741,789 HSBC Holdings ordinary shares. Under the HSBC Holdings savings-related share option plans, the HSBC Share Plan and HSBC Holdings Group Share Option Plan there were options outstanding over 148,872,312 HSBC Holdings ordinary shares at 31 December 2013 (0.79% of the issued ordinary shares). The number of shares which may be issued upon exercise of options under the HSBC Share Plan 2011 and options granted under any other employee share plan operated by HSBC Holdings outstanding at any one time must not exceed 30% of the shares in issue from time to time. No further options may be granted under any such plan if this will result in the limit being exceeded. Particulars of options over HSBC Holdings shares held by Directors of HSBC Holdings are set out on page 403 of the Directors' Remuneration Report in the *Annual Report and Accounts 2013*.

The effect on earnings per share of granting share options and share awards which are satisfied by the issue of new shares is shown in diluted earnings per share on the face of the consolidated income statement, with further details disclosed in the Earnings per share Note 11 on the Financial Statements in the *Annual Report and Accounts 2013*.

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 option plans under which eligible employees have been granted options to acquire HSBC Holdings ordinary shares. There will be no further grant of options under the HSBC Holdings Savings-Related Share Option Plan: International; the final grant was in 2012. A new international all-employee share purchase plan was launched in the third quarter of 2013.

For options granted under the HSBC Holdings Savings-Related Option Plan, employees may make contributions of up to £250 (or equivalent) each month over a period of three or five years which may be used within six months following the third or fifth anniversary of the commencement of the relevant savings contract, at the employee's election, 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, retirement 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 circumstances, the exercise period of options awarded under the all-employee share option plans may be extended, for example, on the death of a participant, the executors may exercise the option up to six months beyond the normal exercise period.

The terms set out in the preceding paragraph also applied to options granted prior to 2013 under the HSBC Holdings Savings-Related Share Option Plan: International. In addition, employees granted options under the HSBC Holdings Savings-Related Share Option Plan: International could elect to make monthly contributions over a period

Employee Share Plans (continued)

of one year which were exercisable within three months following the first anniversary of the commencement of the savings contract.

Under the HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International the option exercise price is determined by reference to the average market value of HSBC Holdings ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20% (for details on each plan see tables on pages 2 to 3 for further information) (except for the one-year options granted under the US sub-plan where a 15% discount has applied). 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 closing price per HSBC Holdings ordinary share on 19 September 2013, the day before options were granted in 2013 under the HSBC Holdings Savings-Related Share Option Plan was £6.99.

There will be no further grants under the HSBC Holdings Savings-Related Share Option Plan: International. A new international all-employee share purchase plan was launched in the third quarter of 2013. The HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International will terminate on 27 May 2015 unless the Directors resolve to terminate the plans 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 2013	Granted during year	Exercised during year ¹	Lapsed during year	At 31 Dec 2013
25 Apr 2007	6.1760	1 Aug 2012	1 Feb 2013	946,901	–	118,203	828,698	–
30 Apr 2008	5.9397	1 Aug 2013	1 Feb 2014	1,166,613	–	1,058,090	31,900	76,623
29 Apr 2009	3.3116	1 Aug 2012	1 Feb 2013	1,005,930	–	772,064	233,866	–
29 Apr 2009	3.3116	1 Aug 2014	1 Feb 2015	24,171,480	–	800,811	730,823	22,639,846
21 Apr 2010	5.4573	1 Aug 2013	1 Feb 2014	2,155,270	–	1,859,096	85,838	210,336
21 Apr 2010	5.4573	1 Aug 2015	1 Feb 2016	1,382,881	–	26,461	88,017	1,268,403
20 Apr 2011	5.0971	1 Aug 2014	1 Feb 2015	3,247,146	–	62,208	314,053	2,870,885
20 Apr 2011	5.0971	1 Aug 2016	1 Feb 2017	1,597,341	–	17,515	141,395	1,438,431
24 Apr 2012	4.4621	1 Aug 2015	1 Feb 2016	15,406,611	–	129,315	1,785,784	13,491,512
24 Apr 2012	4.4621	1 Aug 2017	1 Feb 2018	3,895,892	–	19,386	358,199	3,518,307
20 Sep 2013	5.4738	1 Nov 2016	1 May 2017	–	6,676,966	63	199,549	6,477,354
20 Sep 2013	5.4738	1 Nov 2018	1 May 2019	–	2,002,338	–	43,149	1,959,189
				54,976,065	8,679,304	4,863,212	4,841,271	53,950,886

¹ The weighted average closing price of the shares immediately before the dates on which options were exercised was £7.20.

HSBC Holdings Savings-Related Share Option Plan: International

Date of award	Exercise price (£)	Exercisable		HSBC Holdings ordinary shares			
		from	until	At 1 Jan 2013	Exercised during year ¹	Lapsed during year	At 31 Dec 2013
25 Apr 2007	6.1760	1 Aug 2012	1 Feb 2013	148,061	12,261	135,800	–
30 Apr 2008	5.9397	1 Aug 2013	1 Feb 2014	155,480	80,692	20,873	53,915
29 Apr 2009	3.3116	1 Aug 2012	1 Feb 2013	911,818	536,135	375,683	–
29 Apr 2009	3.3116	1 Aug 2014	1 Feb 2015	5,958,324	161,328	275,277	5,521,719
21 Apr 2010	5.4573	1 Aug 2013	1 Feb 2014	1,039,435	731,770	156,031	151,634
21 Apr 2010	5.4573	1 Aug 2015	1 Feb 2016	250,822	3,915	27,988	218,919
20 Apr 2011	5.0971	1 Aug 2012	31 Oct 2012	908	588	320	–
20 Apr 2011	5.0971	1 Aug 2014	1 Feb 2015	794,257	8,952	100,271	685,034
20 Apr 2011	5.0971	1 Aug 2016	1 Feb 2017	246,641	1,817	58,018	186,806
24 Apr 2012	4.4621	1 Aug 2013	31 Oct 2013	4,410,375	4,001,027	409,348	–
24 Apr 2012	4.4621	1 Aug 2015	1 Feb 2016	2,931,672	9,942	251,942	2,669,788
24 Apr 2012	4.4621	1 Aug 2017	1 Feb 2018	620,944	3,828	82,481	534,635
				17,468,737	5,552,255	1,894,032	10,022,450

Employee Share Plans (continued)

HSBC Holdings Savings-Related Share Option Plan: International (continued)

Date of award	Exercise price (US\$)	Exercisable		HSBC Holdings ordinary shares			
		from	until	At 1 Jan 2013	Exercised during year ¹	Lapsed during year	At 31 Dec 2013
25 Apr 2007	12.0958	1 Aug 2012	1 Feb 2013	127,311	–	127,311	–
30 Apr 2008	11.8824	1 Aug 2013	1 Feb 2014	103,916	394	59,590	43,932
29 Apr 2009	4.8876	1 Aug 2012	1 Feb 2013	631,342	254,442	376,900	–
29 Apr 2009	4.8876	1 Aug 2014	1 Feb 2015	1,660,535	55,322	107,757	1,497,456
21 Apr 2010	8.1232	1 Aug 2013	1 Feb 2014	639,346	356,887	66,036	216,423
21 Apr 2010	8.1232	1 Aug 2015	1 Feb 2016	161,992	1,539	30,697	129,756
20 Apr 2011	8.2094	1 Aug 2014	1 Feb 2015	546,715	7,947	90,807	447,961
20 Apr 2011	8.2094	1 Aug 2016	1 Feb 2017	151,849	480	39,973	111,396
24 Apr 2012	7.59222 ²	1 Aug 2013	31 Oct 2013	423,566	365,547	58,019	–
24 Apr 2012	7.1456 ²	1 Aug 2013	31 Oct 2013	291,250	162,774	128,476	–
24 Apr 2012	7.1456	1 Aug 2015	1 Feb 2016	1,415,140	11,425	141,773	1,261,942
24 Apr 2012	7.1456	1 Aug 2017	1 Feb 2018	335,932	1,370	46,359	288,203
				6,488,894	1,218,127	1,273,698	3,997,069
	(€)						
25 Apr 2007	9.0818	1 Aug 2012	1 Feb 2013	20,680	–	20,680	–
30 Apr 2008	7.5571	1 Aug 2013	1 Feb 2014	19,351	10,760	262	8,329
29 Apr 2009	3.6361	1 Aug 2012	1 Feb 2013	60,829	40,750	20,079	–
29 Apr 2009	3.6361	1 Aug 2014	1 Feb 2015	873,704	2,016	28,601	843,087
21 Apr 2010	6.0657	1 Aug 2013	1 Feb 2014	154,301	126,545	12,339	15,417
21 Apr 2010	6.0657	1 Aug 2015	1 Feb 2016	46,851	–	8,999	37,852
20 Apr 2011	5.7974	1 Aug 2014	1 Feb 2015	172,240	1,049	19,776	151,415
20 Apr 2011	5.7974	1 Aug 2016	1 Feb 2017	55,151	–	10,310	44,841
24 Apr 2012	5.3532	1 Aug 2013	31 Oct 2013	263,272	250,879	12,398	–
24 Apr 2012	5.3532	1 Aug 2015	1 Feb 2016	415,677	2,029	29,134	384,509
24 Apr 2012	5.3532	31 Aug 2017	1 Feb 2018	98,207	–	9,005	89,202
				2,180,263	434,028	171,583	1,574,652
	(HK\$)						
25 Apr 2007	94.5057	1 Aug 2012	1 Feb 2013	32,240	–	32,240	–
30 Apr 2008	92.5881	1 Aug 2013	1 Feb 2014	27,827	–	14,511	13,316
29 Apr 2009	37.8797	1 Aug 2012	1 Feb 2013	653,168	439,626	213,542	–
29 Apr 2009	37.8797	1 Aug 2014	1 Feb 2015	17,865,138	190,440	468,842	17,205,856
21 Apr 2010	62.9770	1 Aug 2013	1 Feb 2014	765,626	661,960	20,996	82,670
21 Apr 2010	62.9770	1 Aug 2015	1 Feb 2016	240,382	–	19,397	220,985
20 Apr 2011	63.9864	1 Aug 2014	1 Feb 2015	433,188	6,634	42,188	384,366
20 Apr 2011	63.9864	1 Aug 2016	1 Feb 2017	181,183	934	17,823	162,426
24 Apr 2012	55.4701	1 Aug 2013	31 Oct 2013	4,898,853	4,580,475	318,378	–
24 Apr 2012	55.4701	1 Aug 2015	1 Feb 2016	5,781,663	16,966	298,550	5,466,147
24 Apr 2012	55.4701	1 Aug 2017	1 Feb 2018	758,572	3,135	75,862	679,575
				31,637,840	5,900,170	1,522,329	24,215,341

1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £7.30.

2 These are the one-year options exercisable at a 15% discount to the average market value of the ordinary shares on the five business days immediately preceding the invitation date.

Discretionary Share Plans

Note 7 on the Financial Statements in the *Annual Report and Accounts 2013* gives detail on share-based payments, including discretionary awards granted under HSBC's share plans.

Restricted Share awards may be granted on a discretionary basis to senior executives and are the delivery mechanism for the Group's bonus deferral policy. A conditional award of a Restricted Share defines the number of shares to which the employee will become entitled, generally between one and three years from the date of the award, and normally subject to the individual remaining in employment. In some cases the employee's entitlement depends upon the satisfaction of a performance condition.

The maximum value of awards or options that may be granted to an employee in any one year under the HSBC Share Plan 2011 is 600% of the employee's annual salary. For the purpose of the limit, any Restricted Share awards

Employee Share Plans (continued)

made on or shortly after the commencement of employment or in substitution for all or any part of any bonus to which the employee would otherwise have been entitled, are excluded.

Since September 2005, no discretionary share options have been granted. There are no performance conditions that remain to be satisfied for the exercise of outstanding discretionary share options. Options are generally exercisable between the third and the tenth anniversary of the date of grant.

The exercise price of options granted under the HSBC Share Plan, and the HSBC Holdings Group Share Option Plan, is the higher of the average market value of the ordinary shares on the five business days prior to the grant of the option or the market value of the ordinary shares on the date of grant of the option, or the nominal value of a share.

The Group Performance Share Plan ('GPSP') is incorporated in the HSBC Share Plan 2011. See page 383 of the *Annual Report and Accounts 2013* for further details.

Discretionary Share Option Plans

Date of award	Exercise price (£)	Exercisable		HSBC Holdings ordinary shares			
		from	until	At 1 Jan 2013	Exercised during year	Lapsed during year	At 31 Dec 2013
HSBC Holdings Group Share Option Plan^{1,2}							
2 May 2003	6.0216	2 May 2006	2 May 2013	23,490,127	14,785,110	8,705,017	–
29 Aug 2003	7.0848	29 Aug 2006	29 Aug 2013	346,319	91,606	254,713	–
3 Nov 2003	7.9606	3 Nov 2006	3 Nov 2013	4,612,854	–	4,612,854	–
30 Apr 2004	7.2181	30 Apr 2007	30 Apr 2014	51,866,598	2,695,224	914,746	48,256,628
27 Aug 2004	7.5379	27 Aug 2007	27 Aug 2014	281,651	–	–	281,651
20 Apr 2005	7.2869	20 Apr 2008	20 Apr 2015	6,575,374	22,951	64,834	6,487,589
				87,172,923	17,594,891	14,552,164	55,025,868
HSBC Share Plan							
30 Sep 2005	7.9911	30 Sep 2008	30 Sep 2015	86,046	–	–	86,046

1 The HSBC Holdings Group Share Option Plan expired on 26 May 2005 and the HSBC Share Plan expired on 27 May 2011. No options have been granted under the Plan since that date.

2 The weighted average closing price of the shares immediately before the dates on which options were exercised was £7.11.

Subsidiary company share plans

HSBC Bank Bermuda

Upon the acquisition of HSBC Bank Bermuda Limited ('HSBC Bank Bermuda') in 2004, all outstanding options over HSBC Bank Bermuda shares were converted into options to acquire HSBC Holdings ordinary shares using an exchange ratio calculated by dividing US\$40 (being the consideration paid for each HSBC Bank Bermuda share) by the average price of HSBC Holdings ordinary shares over the five-day period to the completion of the acquisition. The exercise price payable for each option was adjusted using the same exchange ratio.

Details of options to acquire shares in HSBC Holdings under the share plans of HSBC Bank Bermuda are set out in the following table. No further options will be granted under the share plans of HSBC Bank Bermuda.

HSBC Bank Bermuda

Date of award	Exercise price (US\$)	Exercisable		HSBC Holdings ordinary shares			
		from	until	At 1 Jan 2013	Exercised during year	Lapsed during year	At 31 Dec 2013
Share Option Plan 2000							
4 Feb 2003	9.32	4 Feb 2004	4 Feb 2013	142,082	–	142,082	–
21 Apr 2003	10.33	21 Apr 2004	21 Apr 2013	7,842	–	7,842	–
				149,924	–	149,924	–