

HSBC HOLDINGS PLC

BOARD DIVERSITY POLICY

Building a diverse and inclusive culture is integral to the success of HSBC. An inclusive culture helps us to respond to our increasingly diverse global customer base. The Group's deep roots in many geographical regions and an international approach inform our perspective on diversity. Ethnicity, age and gender diversity, underpinned by meritocracy are areas of strategic focus for the employee base and the same principle is applied to the composition of our Board.

The Nomination Committee has responsibility for leading the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board. The benefits of diversity continue to influence succession planning and are key criteria in the instructions to external search consultants.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. We remain committed to meritocracy in the Boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated.

Selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and contribution the chosen candidate will bring to the Board. The Board has every intention of meeting Lord Davies' aspirational target (set in his report on Women on Boards issued in February 2011) of 25 per cent of Board positions at FTSE 100 companies to be filled by women by 2015, with a target of 30 per cent to be achieved by 2020.

The Nomination Committee is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

The Board considers that its diversity, including gender diversity, is a vital asset to the business.