HSBC Holdings plc

Directors' Remuneration Policy Supplement 2019

HSBC

Directors’ remuneration policy

This supplement sets out our new remuneration policy for executive and non-executive Directors that was approved by our shareholders at the Annual General Meeting (‘AGM’) on 12 April 2019. It is intended that this policy will be applied for three years to the end of the AGM in 2022.

Remuneration policy – executive Directors

Fixed pay

Elements	Details
Base salary	To attract and retain key talent by being market competitive and rewarding ongoing contribution to role.
Operation	Base salary reflects the individual’s role, experience and responsibility. Base salaries are benchmarked on an annual basis against relevant comparator groups and may be reviewed more frequently at the discretion of the Committee. The Committee reviews and approves changes, taking into consideration local requirements, employee increases and market competitiveness.
Maximum opportunity	Other than in exceptional circumstances, the base salary for the current executive Directors will not increase by more than 15% above the level at the start of the policy period in total for the duration of this policy.
Fixed pay allowance (‘FPA’)	To deliver a level of fixed pay required to reflect the role, skills and experience of the Directors and to maintain a competitive total remuneration package for retention of key talent.
Operation	Fixed pay allowances (‘FPAs’) are non-pensionable and will be granted in four instalments of immediately vested shares per year, or at any other frequency that the Committee deems appropriate. On vesting, shares equivalent to the net number of shares delivered (after those sold to cover any income tax and social security) will be subject to a retention period and released annually on a pro-rata basis over five years, starting from the March immediately following the end of the financial year in respect of which the shares are granted. Dividends will be paid on the vested shares held during the retention period. The Committee retains the discretion to amend the retention period and/or pay the FPA in cash if required to do so to meet any regulatory requirements.
Maximum opportunity	FPAs are determined based on the role, skills and responsibility of each individual and taking into account market competitiveness of the total remuneration opportunity and other elements of remuneration set in this policy. Other than in exceptional circumstances, the FPA for the duration of this policy will be capped at 150% of base salary levels at the start of this policy.
Cash in lieu of pension	To attract and retain key talent by being market competitive.
Operation	Directors receive a cash allowance in lieu of a pension entitlement.
Maximum opportunity	10% of base salary.

Benefits and all employee share plans

Elements	Details
Benefits	To provide benefits in accordance with local market practice.
Operation	Benefits take account of local market practice and include, but are not restricted to: • all taxable benefits (gross value before payment of tax) including provision of medical insurance, accommodation, car, club membership, independent legal advice in relation to a matter arising out of the performance of employment duties for HSBC, tax return assistance or preparation and travel assistance (including any associated tax due, where applicable); and • non-taxable benefits including the provision of health assessment, life assurance and other insurance coverage. The Group Chief Executive is also eligible to be provided with accommodation and car benefit in Hong Kong. Any tax and/or social security due on this benefit will be paid by HSBC. Additional benefits may also be provided when an executive is relocated or spends a substantial proportion of his/her time in more than one jurisdiction for business needs or in such other circumstances as the Committee may determine in its discretion. Such benefits could include, but are not restricted to, airfare, accommodation, shipment, storage, utilities, and any tax and social security that may be due in respect of such benefits.
Maximum opportunity	The maximum opportunity is determined by the nature of the benefit provided. The benefit amount will be disclosed in the single figure of remuneration table for the relevant year.
All employee share plans	To promote share ownership by all employees.
Operation	Executive Directors are entitled to participate in all employee share plans, such as the HSBC Sharesave, on the same basis as all other employees. Under the Sharesave, executive Directors can make monthly savings over a period of three or five years towards the grant of an option over HSBC shares. The option price can be at a discount, currently up to 20%, on the share price at the time that the option is granted.
Maximum opportunity	The maximum number of options is determined by the maximum savings limit set by HM Revenue and Customs. This is currently £500 per month.

Variable pay

Adhering to the HSBC Values is a prerequisite to be considered for any variable pay. Executive Directors receive a performance and behaviour rating that is considered by the Committee in determining the variable pay awards.

Elements	Details
Annual incentive	To drive and reward performance against annual financial and non-financial objectives that are consistent with the strategy and align to shareholder interests.
Operation	Awards are discretionary and can be delivered in any combination of cash and shares under the HSBC Share Plan 2011 ('HSBC Share Plan'). Shares will not represent less than 50% of any award and are normally immediately vested. On vesting, shares equivalent to the net number of shares that vested (after those sold to cover any income tax and social security payable) must be held for a retention period up to one year, or such other period as required by regulators. The awards will be subject to clawback (i.e. repayment or recoupment of paid/vested awards) on or after vesting for a period of seven years from the date of award. This may be extended to 10 years in the event of an ongoing internal/regulatory investigation at the end of the seven-year period. Details of the clawback provision are set out in the following section on LTI awards. The Committee retains the discretion to: • apply a longer retention period; • increase the proportion of the award to be delivered in shares; and • defer the vesting of a portion of the awards, which will be subject to malus (i.e. reduction and/or cancellation of unvested awards) provisions during any applicable deferral period. Any deferred shares may be entitled to dividend equivalents during the vesting period, which will be paid on vesting. Where awards do not receive dividend equivalents during the vesting period (to meet regulatory requirements), the number of shares to be awarded will be determined using a share price discounted for the expected dividend yield. Any deferred cash award may be entitled to notional return during the deferral period as determined by the Committee.
Maximum opportunity	The maximum opportunity for the annual incentive award, in respect of a financial year, is up to 215% of base salary.
Performance metrics	Performance is measured against an annual scorecard, based on targets set for financial and non-financial measures. The scorecards vary by individual. Measures with financial targets will generally have a weighting of 60% for the Group Chief Executive, 50% for the Group Chief Financial Officer and 25% for the Group Chief Risk Officer. The Committee will assess performance against the targets set to determine the level of achievement. The overall payout of the annual incentive could be between 0% (for below threshold performance) and 100% of the maximum. At threshold level of performance set in the scorecard for each measure, 25% of the award opportunity for that measure will pay out, whereas 100% of the award opportunity will pay out for achieving maximum performance set in the scorecard. Payout will be determined on a straight-line basis between threshold and maximum performance. The Committee can reduce (to zero if appropriate) the annual incentive payout based on the outcome of the performance measures, if it considers that the payout determined does not appropriately reflect the overall position and performance of the Company during the performance period. The Committee has the discretion to: • change the overall weighting of the measures with financial targets and non-financial measures; • vary the measures and their respective weightings within each category. The specific performance measures will be disclosed in the 'annual report on remuneration' for the relevant year; and • make adjustments to performance targets to reflect significant one-off items or exceptional events that occur during the measurement period. Full and clear disclosure of any such adjustments will be made within the annual report on remuneration at the end of the performance year, subject to commercial confidentiality.

Elements	Details
Long-term incentives ('LTI')	To incentivise sustainable long-term performance and alignment with shareholder interests.
Operation	Awards are discretionary and are granted if the Committee considers that there has been satisfactory performance over the prior year. The awards are granted as rights to receive shares under the HSBC Share Plan, subject to a forward-looking three-year performance period from the start of the financial year in which the awards are granted. At the end of the performance period, the performance outcome will be used to assess the percentage of the awards that will vest. These shares will then normally vest in five equal instalments, with the first vesting on or around the third anniversary of the grant date and the last instalment vesting on or around the seventh anniversary of the grant date, in accordance with the PRA remuneration rules. On each vesting, shares equivalent to the net number of shares that vested (after those sold to cover any income tax and social security payable) must be held for a retention period up to one year or such other period as required by regulators. Awards are subject to malus provisions prior to vesting. The awards will also be subject to clawback on or after vesting for a period of seven years from the date of award. This may be extended to 10 years in the event of an ongoing internal/regulatory investigation at the end of the seven-year period. Details of the malus and clawback provisions are set out in the bottom section of this table. Awards may be entitled to dividend equivalents during the vesting period, which will be paid on vesting. Where awards do not receive dividend equivalents during the vesting period (to meet regulatory requirements), the number of shares to be awarded will be determined using a share price discounted for the expected dividend yield. The Committee may adjust or amend awards in accordance with the rules of the HSBC Share Plan.
Maximum opportunity	The maximum opportunity for the LTI award, in respect of a financial year, is up to 320% of base salary.
Performance metrics	The Committee will take into consideration prior performance when assessing the value of the LTI grant. Forward-looking performance is measured against a long-term scorecard. Financial measures will generally have a weighting of 60% or more. The Committee will assess performance against the targets set to determine the level of achievement and the overall payout level could be between 0% (for below threshold performance) and 100% of the maximum. At threshold level of performance set in the scorecard for each measure, 25% of the award opportunity for that measure will vest. Up to 50% will vest for achieving the target level of performance set for each measure, while 100% of the award will vest for achieving the maximum level of performance set for each measure. Where performance achieved is between the threshold, target and maximum level of performance set in the scorecard, the number of awards that will vest will be determined on a straight-line basis. The Committee can reduce (to zero if appropriate) the LTI payout based on the outcome of the performance measures, if it considers that the payout determined does not appropriately reflect the overall position and performance of the Company during the performance period. The scorecard outcome may also be subject to a risk and compliance and/or a capital underpin under which the Committee will have the discretion to adjust down the overall scorecard outcome, taking into account performance against those factors. Performance targets will normally be set annually for each three-year cycle. The Committee has the discretion to: • change the overall weighting of the financial and non-financial measures; • vary the measures and their respective weightings within each category. The specific performance measures will be disclosed in the 'annual report on remuneration' for the relevant year; • vary the underpin measures; and • make adjustments to performance targets, measures, weighting and/or outcomes in exceptional circumstances. This may be to reflect significant one-off items that occur during the measurement period and/or if events happen that cause it to determine that original targets or conditions are no longer appropriate and that amendment is required so that the targets or conditions achieve their original purpose. Revised targets/measures will be, in the opinion of the Committee, no less difficult to satisfy than the original conditions. Full and clear disclosure of any such adjustments will be made within the 'annual report on remuneration', subject to commercial confidentiality.
Malus and clawback (applicable to both annual incentive and long-term incentive)	The Committee has the discretion to operate malus and clawback provisions. Malus can be applied to unvested awards in circumstances including: • detrimental conduct, including conduct that brings the business into disrepute; • past performance being materially worse than originally reported; • restatement, correction or amendment of any financial statements; and • improper or inadequate risk management. Clawback can be applied to vested or paid awards for a period of seven years from the grant date. This may be extended to 10 years in the event of ongoing internal/regulatory investigation at the end of the seven-year period. Clawback may be applied in circumstances including: • participation in, or responsibility for, conduct that results in significant losses; • failing to meet appropriate standards and propriety; • reasonable evidence of misconduct or material error that would justify, or would have justified, summary termination of a contract of employment; • a material failure of risk management suffered by HSBC or a business unit in the context of Group risk management standards, policies and procedures; and • any other circumstances required by local regulatory obligations to which any member of the HSBC Group or its subsidiary is subject.

Other

Elements	Details
Shareholding guidelines	To ensure appropriate alignment with the interest of our shareholders.
Operation	Executive Directors are expected to satisfy the following shareholding requirement as a percentage of base salary within five years from the date of their appointment: • Group Chief Executive: 400% • Group Chief Financial Officer: 300% • Group Chief Risk Officer: 300% HSBC operates an anti-hedging policy under which individuals are not permitted to enter into any personal hedging strategies in relation to HSBC shares subject to a vesting and/or retention period.
Maximum opportunity	Not applicable.
Provisions of previous policy that will continue to apply	
2013–2015 Group Performance Share Plan ('GPSP'), LTI awards, deferred cash and share awards.	
Operation	Vesting of outstanding deferred cash and share-based awards granted in prior years will continue to form part of the remuneration policy until vesting. The awards normally vest over a period of up to seven years from the date of grant. On vesting, shares equivalent to the net number of shares that vested (after those sold to cover income tax and social security payable) will be subject to the applicable retention period set out at the time of the award. The awards will also be entitled to dividend equivalents and notional returns (for deferred cash awards), in accordance with their terms as set at the time of grant of the awards.
Maximum opportunity	The maximum opportunity is based on the award levels determined in the relevant prior year and as disclosed in the relevant Directors' remuneration report.
Performance metrics	The vesting of these awards is subject to a service condition and performance conditions as set out in the terms of the awards at the time of grant.

The Committee reserves the right to make any remuneration payments and payments for loss of office, notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed:

- before the policy set out above or any previous policy came into effect;
- at a time where a previous policy, approved by shareholders, was in place provided the payment is in line with the terms of that policy; or
- at a time when the relevant individual was not a Director of the Company and the payment was not in consideration for the individual becoming a Director of the Company.

In addition to the specific discretions expressly set out in the policy, the incentive plans include a number of operational discretions available to the Committee, including:

- the right to grant awards in the form of conditional share awards or options (including nil-cost options);
- the right to amend a performance condition in accordance with its terms, or if anything happens that causes the Committee to consider it appropriate to do so;
- the right to settle the award in cash, based on the relevant share price, or shares as appropriate; and
- the right to adjust the award on a variation of share capital or other corporate event that affects the current or future value of the award, or alternatively, the right to vest the award early in such circumstances.

Choice of performance measures and targets

The performance measures selected for the annual incentive and LTI awards will be set on an annual basis by the Committee, taking into account the Group's strategic priorities and any feedback received from our shareholders. The following table sets out the performance measures we currently consider for inclusion in our scorecards. The Committee retains the discretion to choose other measures that are considered to be appropriate for achieving our strategic priorities and meeting any regulatory expectation.

The targets for the performance measures will be set taking into account a number of factors, including the targets set in our annual operating plan, our strategic priorities, the economic environment, market conditions and expectations, and risk appetite.

Performance measures

Measures and underpin	Example measures for annual incentive scorecard	Example measures for LTI scorecard	Rationale
Financial measures	• Profit before tax • Return on tangible equity ('RoTE') • Revenue growth to exceed growth in operating expenses ('positive jaws') • Revenue growth • Tier 1/common equity tier 1 ('CET1') metrics	• RoTE • Total shareholder return • Underpin to maintain a minimum CET1 ratio	Measures are selected to incentivise the achievement of our financial targets as set out in our strategic priorities and annual operating plan.
Strategic measures	• Increase returns from areas of strength • Turn around low return businesses • Improve customer service • Strengthen external relationships • Succession planning and diversity	• Improve environment, social and governance scores • Improve employer advocacy	Measures are selected to support the delivery of our strategic priorities.
Risk and compliance measures and/or underpin	• Achieve sustained delivery of global conduct outcomes and effective financial crime risk management • Effectively manage material operational risks in support of strategic priorities • Comply with 2018 FX DPA, the three-year deferred prosecution agreement with the US Department of Justice ('DoJ'), regarding fraudulent conduct in connection with two particular transactions in 2010 and 2011.	Underpin linked to risk and compliance performance	Measures are chosen to ensure a high level of accountability of risk and conduct, to promote an effective risk management environment and to embed a robust governance system.

Approach to recruitment remuneration – executive Directors

On the recruitment or appointment of a new executive Director, the Committee would adhere to the following principles:

- Remuneration packages should be in line with the approved policy for executive Directors.
- Remuneration packages must meet any applicable local regulatory requirements.
- Where necessary, compensation may be provided in respect of forfeiture of awards from an existing employer (buy-out awards).

Outlined in the following table are all components that would be considered for inclusion in the remuneration package of a new executive Director and, for each, the approach that would be adopted.

In the case of an internal appointment, any existing commitments will be honoured and any variable element awarded in respect of the prior role may be allowed to be paid out according to its existing terms.

Components of remuneration package of a new executive Director

Component	Approach taken to each component of remuneration
Fixed pay	The base salary and FPA will reflect the individual's role, experience and responsibility, and will be set in the context of market practice. The maximum cash in lieu of pension allowance will be 10% of salary.
Benefits	Benefits to be provided will be dependent on circumstances while in line with Group policy and the remuneration policy table, including the global mobility policy (where applicable) and local regulations.
Variable pay awards	New joiners will be eligible to be considered for variable pay awards consisting of an annual incentive and/or LTI award (or any combination of variable pay). For the year in which the individual commences providing services as an executive Director, the Committee retains the discretion to determine the proportion of variable pay to be deferred, the deferral and retention period, whether any performance conditions should be applied, and the period over which such performance should be assessed. In exercising this discretion, the Committee will take into account the circumstances in which the individual is appointed (for example, if it is promotion of an internal candidate or an external appointment), expectation of shareholders and any regulatory requirements. Total variable pay awarded for the year of joining HSBC will be limited to 535% of base salary. This limit excludes buy-out awards and is in line with the aggregate maximum variable pay opportunity set out in the remuneration policy table. Guaranteed bonuses are only permitted by exception and must be limited to the first year of service, subject to the Group deferral policy and performance requirements.
Buy-out	A buy-out may be offered if the individual holds any outstanding unvested awards that are forfeited on resignation from the previous employer. The Group buy-out policy is in line with the PRA remuneration rules, which state that both the terms and amount of any replacement awards will not be more generous than the award forfeited on departure from the former employer. A buy-out award is delivered as HSBC deferred shares with vesting and retention periods to match the terms of forfeited awards with the previous employer as closely as possible, subject to proof of forfeiture and other relevant documentation. Where the vesting time is fewer than 90 days, cash or deferred cash may be awarded for administrative purposes. Where appropriate, the Committee retains the discretion to utilise the provisions provided in the Listing Rules for the purpose of making buy-out awards.

Policy on payments for loss of office – executive Directors

The following table sets out the basis on which payments on loss of office may be made. Other than as set out in the table, there are no further obligations that could give rise to remuneration payments or payments for loss of office:

Payments on loss of office

Component of remuneration	Approach taken
Fixed pay and benefits	Executive Directors may be entitled to payments in lieu of: • notice, which may consist of base salary, FPA, pension entitlements and other contractual benefits, or an amount in lieu of; and/or • accrued but untaken holiday entitlement. Payments may be made in instalments or a lump sum, and may be subject to mitigation, and subject to applicable tax and social security deductions.
Annual incentive and LTI	In exceptional circumstances, as determined by the Committee, an executive Director may be eligible for the grant of annual and/or long-term incentives under the HSBC Share Plan based on the time worked in the performance year and on the individual's contribution.
Unvested awards	All unvested awards will be forfeited when an executive Director ceases employment voluntarily and is not deemed a good leaver. An executive Director may be considered a good leaver, under the HSBC Share Plan, if their employment ceases in specified circumstances which includes: • ill heath, injury or disability, as established to the satisfaction of the Committee; • retirement with the agreement and approval of the Committee; • the employee's employer ceasing to be a member of the Group; • redundancy with the agreement and approval of the Committee; or • any other reason at the discretion of the Committee. If an executive Director is considered a good leaver, unvested awards will normally continue to vest in line with the applicable vesting dates, subject to performance conditions, the share plan rules, and malus and clawback provisions. In the event of death, unvested awards will vest and will be released to the executive Director's estate as soon as practicable. In respect of outstanding unvested awards, the Committee may determine that good leaver status is contingent upon the Committee being satisfied that the executive has no current or future intention at the date of leaving HSBC of being employed by any competitor financial services firm. The Committee determines the list of competitor firms from time to time, and the length of time for which this restriction applies. If the Committee becomes aware of any evidence to the contrary before vesting, the award will lapse.
Post-departure benefits	Executive Directors can be provided certain benefits for up to a maximum of seven years from date of departure for those who depart under good leaver provisions under the HSBC Share Plan, in accordance with the terms of the policy. Benefits may include, but are not limited to, medical coverage, tax return preparation assistance and legal expenses. The Committee also has the discretion to extend the post-departure benefit of medical coverage to former executive Directors, up to a maximum of seven years from their date of departure.
Other	Where an executive Director has been relocated as part of their employment, the Committee retains the discretion to pay the repatriation costs. This may include, but is not restricted to, airfare, accommodation, shipment, storage, utilities, and any tax and social security that may be due in respect of such benefits. Except in the case of gross misconduct or resignation, an executive Director may also receive retirement gifts.
Legal claims	The Committee retains the discretion to make payments (including professional and outplacement fees) to mitigate against legal claims, subject to any such payments being made in accordance with the terms of an appropriate settlement agreement waiving all claims against the Group.
Change of control	In the event of a change of control, outstanding awards will be treated in line with the provisions set out in the respective plan rules.

Other directorships

Executive Directors may accept appointments as non-executive Directors of companies that are not part of HSBC if so authorised by either the Board or the Nomination & Corporate Governance Committee.

When considering a request to accept a non-executive appointment, the Board or the Nomination & Corporate Governance Committee will take into account, among other things, the expected time commitment associated with the proposed appointment. The time commitment for external appointments is also routinely reviewed to ensure that they will not compromise the Directors' commitment to HSBC.

Any remuneration receivable in respect of an external appointment of an executive Director is normally paid to the Group unless otherwise approved by the Nomination & Corporate Governance Committee or the Board.

Remuneration scenarios

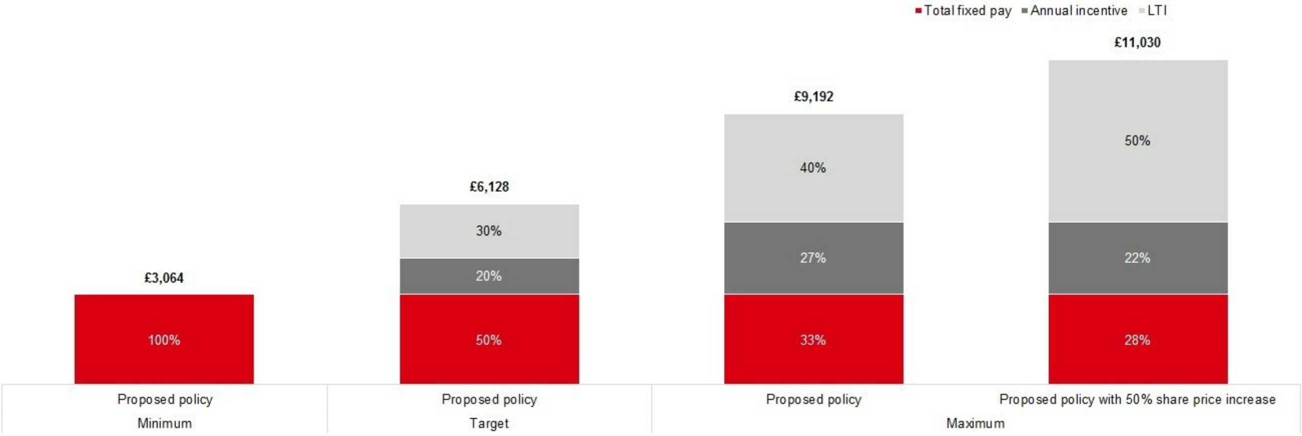
The following charts show how the total value of remuneration (excluding benefits) and its composition would vary under different performance scenarios for executive Directors under the proposed policy, which will be effective from the date of the 2019 AGM, subject to shareholders' approval.

The charts set out:

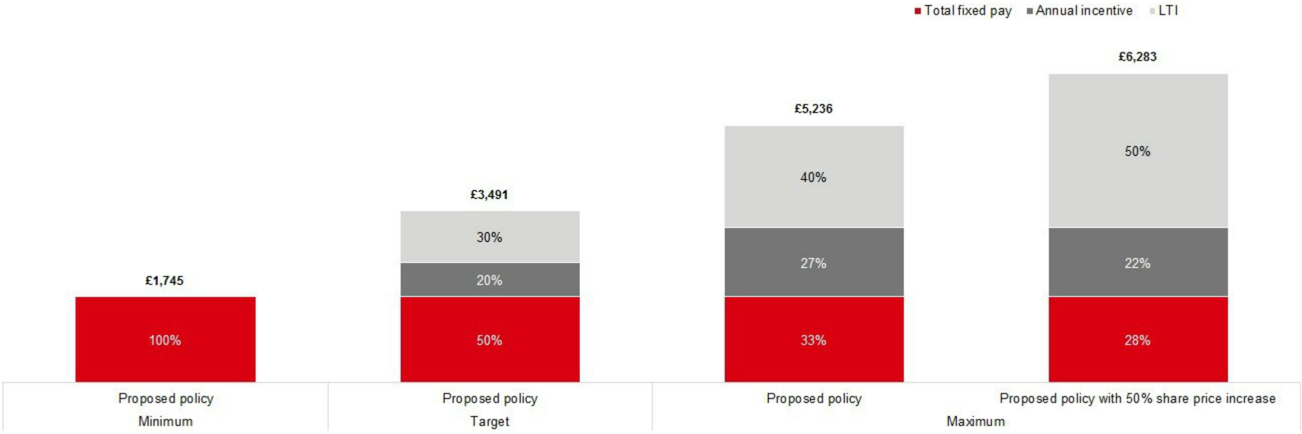
- the minimum level of remuneration receivable under the policy for each performance year;
- the remuneration level for achieving target level of performance (which assumes 50% of maximum variable pay opportunity is realised); and
- the maximum level of remuneration (which assumes 100% of the variable pay opportunity is realised), as well as the maximum value assuming a 50% increase in share price for LTI awards.

The charts have been prepared using 2019 salaries and, therefore, the annual incentive and LTI opportunities have been computed as percentages of 2019 salaries.

Group Chief Executive (£000)



Group Chief Financial Officer / Group Chief Risk Officer (£000)



Service contracts

The length of service and notice periods of executive Directors are set at the discretion of the Committee, taking into account market practice, governance considerations, and the skills and experience of the particular candidate at that time.

Service agreements for each executive Director are available for inspection at HSBC Holdings' registered office. Consistent with the best interests of the Group, the Committee will seek to minimise termination payments. Directors may be eligible for a payment in relation to statutory rights.

Remuneration policy – non-executive Directors

The Nomination & Corporate Governance Committee has reviewed and revised the time commitments required for all non-executive Directors as the Board supports HSBC through its ambitious agenda of governance reform, growth and organisational development in an environment of increasing regulatory, political and organisational complexity.

The following table sets out the framework that will be used to determine the fees for non-executive Directors during the term of this policy.

Elements and link to strategy	Operation	Maximum opportunity
Fees To reflect the time commitment and responsibilities of a non-executive Director of HSBC Holdings.	The policy for non-executive Directors is to pay: • base fees; • further fees for additional Board duties, including but not limited to chairmanship, membership of a committee, or acting as the Senior Independent Director and/or Deputy Chairman; and • travel allowances. Fees are paid in cash. The Board retains the discretion to pay in shares rather than cash where appropriate. The non-executive Group Chairman will be paid a fixed annual fee for all Board responsibilities based on their experience and the time commitments expected for the role, together with such other benefits as the Group Remuneration Committee may in its absolute discretion determine. A newly appointed non-executive Director would be paid in line with the policy on a time-apportioned basis in the first year as necessary. No sign-on payments are offered to non-executive Directors. The Board (excluding the non-executive Directors) has discretion to approve changes to the fees. The Board may also introduce any new component of fees for non-executive Directors, subject to the principles, parameters and other requirements set out in this remuneration policy. Certain non-executive Directors may be entitled to receive fees for their services as directors of subsidiary companies of HSBC Holdings plc. Such additional remuneration is determined by the Board of Directors of each relevant subsidiary within a framework set by the Committee.	The Board will review the amount of each component of fees periodically to assess whether, individually and in aggregate, they remain competitive and appropriate in light of changes in roles, responsibilities and/or time commitment of the non-executive Directors, and to ensure that individuals of the appropriate calibre are retained or appointed. Other than in exceptional circumstances, during the term of this policy, fees will not increase by more than 20% above the 2019 levels. Travel allowances are set at an appropriate level, taking into account the time requirement for non-executive Directors to travel to overseas meetings. Any new fees, allowance or component part (for example, for a new committee) would be set and then subject to a maximum of 20% increase for the duration of the policy.
Expenses	Any taxable or other expenses incurred in performing their role are reimbursed, as well as any related tax cost on such reimbursement.	Not applicable
Shareholding guidelines To ensure appropriate alignment with the interests of our shareholders.	Non-executive Directors, individually or with their connected persons, are expected to satisfy a shareholding guideline of 15,000 shares within five years from their appointment. The Committee reviews compliance with the guidelines annually. The Committee has full discretion in determining any consequences in cases of non-compliance.	Not applicable

Service contracts

Non-executive Directors are appointed for fixed terms not exceeding three years, which may be renewed subject to their re-election by shareholders at AGMs. Non-executive Directors do not have service contracts, but are bound by letters of appointment issued for and on behalf of HSBC Holdings, which are available for inspection at HSBC Holdings' registered office. There are no obligations in the non-executive Directors' letters of appointment that could give rise to remuneration payments or payments for loss of office.

Policy on payments on loss of office – non-executive Directors

Other than as set out above, there are no obligations in the non-executive Directors' letters of appointment that could give rise to remuneration payments or payments for loss of office. Non-executive Directors are entitled to notice under their letter of appointment.

HSBC Holdings plc

8 Canada Square
London E14 5HQ
United Kingdom
Telephone: 44 020 7991 8888
www.hsbc.com
Incorporated in England with limited liability
Registered number 617987