

HSBC Holdings plc

Employee Share Plans 30 June 2024

Employee Share Plans

In accordance with the terms of a waiver granted by the Hong Kong Stock Exchange on 30 December 2022, full details of share options and share awards 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 and Chief Governance Officer, 8 Canada Square, London E14 5HQ.

Overview

Share options and discretionary awards of HSBC Holdings plc ('HSBC' or 'HSBC Holdings') ordinary shares of US\$0.50 ('shares') are granted under HSBC share plans to help align the interests of employees with those of shareholders.

The following are particulars of share options and share awards granted to employees under the HSBC share plans, 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 and share awards were granted for nil consideration. No options or share awards have been granted to substantial shareholders, suppliers of goods or services or in excess of the 1% individual limit for each share plan. The options and share awards which were granted, vested/exercised or lapsed during the period 1 January 2024 to 30 June 2024 (the 'Relevant Period') are detailed in the tables below. The options and share awards were granted only to employees. Particulars of options and share awards held by Directors of HSBC Holdings are set out on page 142 in the Interim Report 2024.

The number of shares available for the grant of options or share awards under the limits set out in the HSBC share plans at the beginning and end of the Relevant Period are:

- 10% of the ordinary share capital of HSBC in issue immediately before that day, less the number of shares which have already been issued, or may be issued, to satisfy awards under the HSBC share plans granted in the previous 10 years. The number of shares available to issue under this limit at the beginning of the Relevant Period was at least 956,690,538 and at the end of the Relevant Period was at least 998,039,197. The number of shares available to issue at the end of the Relevant Period divided by the weighted average number of shares of the relevant class in issue for the Relevant Period is 5.27%.
- 5% of the ordinary share capital of HSBC in issue immediately before that day, less the number of shares which have already been issued, or may be issued, to satisfy awards under the HSBC Share Plan 2011 granted in the previous 10 years. The number of shares available to issue under this limit at the beginning of the Relevant Period was at least 228,402,984 and at the end of the Relevant Period was at least 275,139,157. The number of shares available to issue at the end of the Relevant Period divided by the weighted average number of shares of the relevant class in issue for the Relevant Period is 1.45%.
- 10% of the shares in issue (excluding treasury shares) on the date of shareholder approval of the numerical limit under the HSBC Holdings Savings-Related Share Option Plan (UK), being 2,036,512,211 shares, less all Options currently outstanding and shares already issued to settle Options that were granted after last shareholder approval. The number of shares available to issue under this limit at the beginning of the Relevant Period was 1,950,244,302 and at the end of the Relevant Period was 1,959,562,823.
- 30% of the shares in issue (excluding treasury shares) on the date of inception of the HSBC Holdings Savings-Related Share Option Plan (UK), being 4,675,000,000 shares, less all Options currently outstanding and shares already issued to settle Options since inception. The number of shares available to issue under this limit at the beginning of the Relevant Period was 4,103,400,213 and at the end of the Relevant Period was 4,112,836,110.

Summaries of the share plans

Sharesave

The HSBC Holdings Savings-Related Share Option Plan (UK) ('Sharesave') is an all-employee share option plan under which eligible employees have been granted options to acquire HSBC Holdings ordinary shares. No options or awards under Sharesave are subject to performance targets.

For options granted under Sharesave employees may make contributions of up to £500 each month over a period of three or five years. The contributions 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, ceasing employment on grounds of injury or disability, retirement, death, 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. The exercise period of options awarded under the all-employee share option plans may be extended by up to six months following the death of a participant to allow the executors of the estate to exercise the option. If a participant has chosen to defer up to 12 contributions, the start of the normal exercise period will be delayed by up to 12 months.

Under Sharesave the option exercise price is determined by reference to the average market value of the HSBC Holdings ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20%. the vesting periods and the period within which the option may be exercised are set out in the table below. The HSBC Holdings Savings-Related Share Option plan (UK) has an expiry date of 24 April 2030 (by 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 (UK)

Date of award	Exercise price (£)	Usually exercisable		HSBC Holdings ordinary share options					
		from	until	At 1 Jan 2024	Granted in period	Exercised in period ¹	Lapsed in period	Cancelled in period	At 30 Jun 2024
21 Sep 2018	5.4490	1 Nov 2023	30 Apr 2024	81,508	—	66,702	220	—	14,586
20 Sep 2019	4.6920	1 Nov 2022	30 Apr 2023	10,546	—	5,560	4,986	—	—
20 Sep 2019	4.6920	1 Nov 2024	30 Apr 2025	831,549	—	23,658	16,250	—	791,641
24 Sep 2020	2.6270	1 Nov 2023	30 Apr 2024	7,073,031	—	6,531,527	57,387	—	484,117
24 Sep 2020	2.6270	1 Nov 2025	30 Apr 2026	33,274,900	—	600,277	500,969	—	32,173,654
22 Sep 2021	3.1460	1 Nov 2024	30 Apr 2025	9,463,737	—	144,664	202,589	—	9,116,484
22 Sep 2021	3.1460	1 Nov 2026	30 Apr 2027	2,598,947	—	28,965	70,981	—	2,499,001
27 Sep 2022	4.2420	1 Nov 2025	30 Apr 2026	6,156,107	—	35,520	245,249	—	5,875,338
27 Sep 2022	4.2420	1 Nov 2027	28 Apr 2028	1,435,968	—	5,384	62,268	—	1,368,316
27 Sep 2023	4.6970	1 Nov 2026	30 Apr 2027	19,641,456	—	9,931	714,151	—	18,917,374
27 Sep 2023	4.6970	1 Nov 2028	28 Apr 2029	3,425,929	—	1,846	106,813	—	3,317,270
				83,993,678	—	7,454,034	1,981,863	—	74,557,781

1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £6.2316.

ShareMatch

The HSBC International Employee Share Purchase Plan ('ShareMatch') was introduced in 2013 and now includes employees based in 30 jurisdictions. No options are granted under this plan but matching share awards are granted in the form of conditional awards. No awards under the ShareMatch are subject to performance targets and the vesting periods are as set out in the table below.

Under ShareMatch, shares are purchased on behalf of participants (using their own funds) in the market each quarter up to a maximum annual value of £3,000, or equivalent in local currency, per participant. Matching share awards in the form of conditional awards are granted to participants for nil consideration each quarter at a ratio of one free share for every three purchased. Matching awards vest subject to continued employment and the retention by the participant of the purchased shares for a maximum period of two years and nine months. ShareMatch has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

HSBC International Employee Share Purchase Plan – awards of matching shares

Dates of award	Award price ¹		Usually vesting	HSBC Holdings ordinary shares under award					
	£	HK\$		At 1 Jan 2024	Granted in period	Vested in period ²	Lapsed in period	Cancelled in period	At 30 Jun 2024
2021 to 2023	—	—		4,229,968	—	180,670	111,605	—	3,937,693
10 Jan 2024 ³	6.345	63.45	27 Sep 2026	—	523,985	—	17,171	—	506,814
10 Apr 2024 ⁴	6.447	63.90	27 Sep 2026	—	494,792	—	9,421	—	485,371
				4,229,968	1,018,777	180,670	138,197	—	4,929,878

1 The award price is the closing price on the day before the grant date. In all cases the purchase price is nil.

2 The weighted average closing price of the shares immediately before the dates on which the awards were vested was £5.9577.

3 The closing price of the shares on the relevant exchange on the day before the grant date was £6.3450 and HK\$63.45. The fair value of the awards granted was £5.430 based on IFRS 2 accounting standards.

4 The closing price of the shares on the relevant exchange on the day before the grant date was £6.4470 and HK\$63.90. The fair value of the awards granted was £5.710 based on IFRS 2 accounting standards.

UK SIP

The HSBC Holdings UK Share Incentive Plan (the 'UK SIP') was introduced in 2001 and applies to all UK-resident employees (including executive Directors). During the Relevant Period, approximately 33,000 employees were offered participation in this plan.

Employees may be offered a combination of partnership shares, matching shares, free shares and dividend shares under the UK SIP. A maximum of 10% of salary or £1,800 per tax year (whichever is lower) is the maximum amount an employee can have deducted from their salary to acquire any partnership shares. The maximum value of free shares that can be allocated to an employee in any tax year is £3,600. There is no limit on the value of dividends paid on shares that may be re-invested in dividend shares. The free shares and matching share facilities were not used during the course of the Relevant Period, therefore no share awards were granted. The SIP has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

HSBC Share Plan 2011

The HSBC Share Plan 2011 (the '2011 Plan') is an umbrella plan for HSBC's long-term discretionary employee incentive arrangements. During the Relevant Period, approximately 8,400 employees were granted awards under this plan.

Conditional share awards may be granted on a discretionary basis to employees under the 2011 Plan. A conditional award of deferred shares defines the number of shares to which the employee will become entitled, generally up to three, four, five or seven 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 deferred share awards 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. Participants do not need to pay any consideration for the grant or vesting of an award. The 2011 Plan has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

HSBC Share Plan 2011 – particulars of awards

Dates of award	Award price (£) ¹	Usually vesting from	to	HSBC Holdings ordinary shares under award.					
				At 1 Jan 2024	Granted in period	Vested in period ²	Lapsed in period	Cancelled in period	At 30 June 2024
2013 to 2023	—	01 Mar 2024	31 Mar 2030	120,315,670	—	43,864,305	1,388,369	1,088,243	73,974,753
26 Feb 2024 ³	5.972	26 Feb 2024	31 Mar 2031	—	76,514,820	21,998,916	242,820	5,148	54,267,936
18 Mar 2024 ⁴	5.980	18 Mar 2024	31 Mar 2031	—	3,192,738	930,004	—	147	2,262,587
08 May 2024 ⁵	7.055	08 May 2024	31 Mar 2028	—	1,400,210	471,480	1,992	—	926,738
01 Jan to 30 Jun 2024 ⁶	—	01 Feb 2024	31 May 2027	—	345,419	259,984	37	—	85,398
				120,315,670	81,453,187	67,524,689	1,633,218	1,093,538	131,517,412

1 The award price is the closing price on the day before the grant date. In all cases the purchase price is nil.

2 The weighted average closing price of the shares immediately before the dates on which the awards were vested was £5.8944.

3 The closing price on the day before the grant date was £5.9720. The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £2.028 and £5.957. These awards include LTI awards and other awards which are subject to satisfaction of performance conditions. LTI awards are subject to a combination of financial and non-financial metrics that are detailed in the Directors' remuneration report in the Annual Report and Accounts. Other performance conditions on awards can include the completion of a strategically important project.

4 The closing price on the day before the grant date was £5.980. The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £1.978 and £6.025. These awards include LTI awards and other awards which are subject to satisfaction of performance conditions. LTI awards are subject to a combination of financial and non-financial metrics that are detailed in the Directors' remuneration report in the Annual Report and Accounts. Other performance conditions on awards can include the completion of a strategically important project.

5 The closing price on the day before the grant date was £7.055. The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £6.377 and £7.208. Certain awards are subject to performance conditions that include the completion of a strategically important project.

6 Relates to the allocation of dividend equivalent shares in relation to eligible awards.

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