

The following is the text of an announcement released to the Stock Exchange of Hong Kong Limited on 1 March 2023 pursuant to rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

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1 March 2023

(Hong Kong Stock Code: 5)

HSBC HOLDINGS PLC

GRANT OF CONDITIONAL AWARDS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 27 February 2023, HSBC Holdings plc (the "**Company**") granted conditional awards ("**Awards**") to directors, employees and former employees to subscribe for a total of 63,635,613 ordinary shares of US\$0.50 each of the Company ("**Shares**") under the HSBC Share Plan 2011 (the "**Plan**").

The following are the details of the grants:

Grants to Directors:

Name of grantee	Noel Quinn
Relationship between the grantee and the Company	Director of the Company
Number of shares under Awards	1,031,628
Closing market price of the ordinary shares on the London Stock Exchange on the date of grant	GBP 6.318
Purchase price of Awards granted	GBP 0
Vesting period of the Awards	As disclosed in the Directors Remuneration Report in the Annual Report and Accounts 2022, 50% of the 2022 annual incentive award for Noel Quinn is delivered in immediately vested shares subject to a retention period of 12 months. The 2023-2025 Long Term Incentive ("LTI") award will,

	subject to the performance outcome, vest in five equal annual instalments starting from the third anniversary of the grant date. Upon each vesting, a 12-month retention period applies.										
Performance Targets and Clawback	<p>The immediately vested shares are not subject to forward looking performance conditions as they form part of the annual incentive for which performance is measured over the preceding performance year.</p> <p>The LTI award is subject to the following performance conditions as detailed in the Directors Remuneration Report in the Annual Report and Accounts 2022:</p> <table border="1"> <thead> <tr> <th>Measure</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Return on Tangible Equity ("RoTE") with Common Equity Tier 1 ("CET1") underpin</td> <td>25%</td> </tr> <tr> <td>Capital reallocation to Asia with CET1 underpin</td> <td>25%</td> </tr> <tr> <td>Transition to net zero</td> <td>25%</td> </tr> <tr> <td>Relative Total Shareholder Return ("TSR")</td> <td>25%</td> </tr> </tbody> </table> <p>Clawback applies to the Plan Awards in line with the Company's regulatory obligations as set out in the Company's internal clawback policy.</p>	Measure	Weighting	Return on Tangible Equity ("RoTE") with Common Equity Tier 1 ("CET1") underpin	25%	Capital reallocation to Asia with CET1 underpin	25%	Transition to net zero	25%	Relative Total Shareholder Return ("TSR")	25%
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Relative Total Shareholder Return ("TSR")	25%										
Arrangements for the Company or a subsidiary to provide financial assistance to the grantees	None										

Name of grantee	Georges Elhedery
Relationship between the grantee and the Company	Director of the Company
Number of shares under Awards	364,042
Closing market price of the ordinary shares on the London Stock Exchange on the date of grant	GBP 6.318
Purchase price of Awards granted	GBP 0
Vesting period of the Awards	The 2022 annual incentive award for Georges Elhedery includes immediately vested and deferred share awards. Immediately vested shares are subject to a 12-month

	<p>retention period following vesting. Deferred share awards vest in five equal annual instalments starting from the third anniversary of the grant date. Upon each vesting, a 12-month retention period applies.</p> <p>The 2023-2025 LTI award will, subject to the performance outcome, vest in five equal annual instalments starting from the third anniversary of the grant date. Upon each vesting, a 12-month retention period applies.</p>										
Performance Targets and Clawback	<p>The immediately vested shares are not subject to forward looking performance conditions as they form part of the annual incentive for which performance is measured over the preceding performance year.</p> <p>No performance targets apply to deferred share awards on the basis that the Awards are a form of deferred bonus to meet regulatory requirements in the United Kingdom. Performance targets instead attach to the initial award of the Variable Pay.</p> <p>The LTI award is subject to the following performance conditions as detailed in the Directors Remuneration Report in the Annual Report and Accounts 2022:</p> <table border="1"> <thead> <tr> <th>Measure</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>RoTE with CET1 underpin</td> <td>25%</td> </tr> <tr> <td>Capital reallocation to Asia with CET1 underpin</td> <td>25%</td> </tr> <tr> <td>Transition to net zero</td> <td>25%</td> </tr> <tr> <td>Relative TSR</td> <td>25%</td> </tr> </tbody> </table> <p>Clawback applies to the Plan Awards in line with the Company's regulatory obligations as set out in the Company's internal clawback policy.</p>	Measure	Weighting	RoTE with CET1 underpin	25%	Capital reallocation to Asia with CET1 underpin	25%	Transition to net zero	25%	Relative TSR	25%
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Arrangements for the Company or a subsidiary to provide financial assistance to the grantees	None										

Grants to other grantees:

Category of grantee	Employees and former employees
Number of shares under Awards	62,239,943

Closing market price of the ordinary shares on the London Stock Exchange on the date of grant	GBP 6.318										
Purchase price of Awards granted	GBP 0										
Vesting period of the Awards	<p>Under the HSBC Group-wide deferral policy, vesting occurs over a three year period with 33% vesting on the first and second anniversaries of grant and 34% on the third anniversary.</p> <p>Group and local Material Risk Takers may be subject to longer vesting periods of up to seven years, as required under the relevant remuneration regulations. Awards may be subject to a six- or 12-month retention period following vesting.</p> <p>Immediately vested share awards may be subject to a six- or 12-month retention period following vesting.</p> <p>The vesting period for retention awards will align to the completion of the relevant project for which the Award was granted.</p>										
Performance Targets and Clawback	<p>Retention awards are subject to the completion of a strategically important project.</p> <p>The Group Executive Committee additionally participate in the 2023-2025 LTI. The LTI award is subject to the following performance conditions as detailed in the Directors Remuneration Report in the Annual Report and Accounts 2022:</p> <table border="1" data-bbox="694 1240 1469 1608"> <thead> <tr> <th data-bbox="694 1240 1169 1308">Measure</th> <th data-bbox="1169 1240 1469 1308">Weighting</th> </tr> </thead> <tbody> <tr> <td data-bbox="694 1308 1169 1375">RoTE with CET1 underpin</td> <td data-bbox="1169 1308 1469 1375">25%</td> </tr> <tr> <td data-bbox="694 1375 1169 1476">Capital reallocation to Asia with CET1 underpin</td> <td data-bbox="1169 1375 1469 1476">25%</td> </tr> <tr> <td data-bbox="694 1476 1169 1543">Transition to net zero</td> <td data-bbox="1169 1476 1469 1543">25%</td> </tr> <tr> <td data-bbox="694 1543 1169 1608">Relative TSR</td> <td data-bbox="1169 1543 1469 1608">25%</td> </tr> </tbody> </table> <p>No performance targets apply to any other Plan Awards on the basis that the Awards are a form of deferred bonus to meet regulatory requirements in the UK. Performance targets instead attach to the initial award of the Variable Pay.</p> <p>Clawback applies to the Plan Awards in line with the Company's regulatory obligations as set out in the Company's internal clawback policy.</p>	Measure	Weighting	RoTE with CET1 underpin	25%	Capital reallocation to Asia with CET1 underpin	25%	Transition to net zero	25%	Relative TSR	25%
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the grantees	
Number of shares available for future grant under the plan mandate	<p>The Plan is subject to two limits on the number of Shares committed to be issued under all Plan Awards:</p> <ol style="list-style-type: none"> 1. 10% of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan, or options or awards under any other employee share plan operated by the Company granted in the previous 10 years. The number of Shares available to issue under this limit is 956,295,296. 2. 5% of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan. The number of Shares available to issue under this limit is 244,540,705.

For and on behalf of
HSBC Holdings plc

Aileen Taylor
Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Mark Tucker*, Noel Quinn, Geraldine Buckingham†, Rachel Duan†, Georges Elhedery, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, José Antonio Meade Kuribreña†, Kalpana Morparia†, Eileen K Murray†, David Nish† and Jackson Tai†.

* Non-executive Group Chairman

† Independent non-executive Director

HSBC Holdings plc

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