

HERCULES OFFSHORE, INC.

Form 8-K/A

November 20, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K/A**

**(Amendment No. 1)**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 19, 2007

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**HERCULES OFFSHORE, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction

**0-51582**  
(Commission File Number)

**56-2542838**  
(I.R.S. Employer

of incorporation)

Identification No.)

**11 Greenway Plaza, Suite 2950**

**Houston, Texas**  
(Address of principal executive offices)

**77046**  
(Zip Code)

Registrant's telephone number, including area code: (713) 979-9300

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## Edgar Filing: HERCULES OFFSHORE, INC. - Form 8-K/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure**

On November 20, 2007, Hercules Offshore, Inc. (the Company) is posting on its website at [www.herculesoffshore.com](http://www.herculesoffshore.com) a revised version of the report that was posted on its website on November 19, 2007 and entitled Hercules Offshore Fleet Status Report (the Fleet Status Report). The revised report corrects the dayrate and contract duration applicable with respect to the *Hercules 205*.

The information furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 and will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933 unless specifically identified therein as being incorporated therein by reference.

The information and statements made in the Fleet Status Report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning estimated contract expiration dates, dayrates, estimated dates for completion of repairs and upgrades and commencement dates of new contracts. Such statements are subject to a number of risks, uncertainties and assumptions, including without limitation, early termination by the customer pursuant to the contract or otherwise, cancellation or completion of certain contracts earlier than expected, operational difficulties, shipyard and other delays and other factors described in the Company's annual report on Form 10-K and its most recent periodic reports and other documents filed with the Securities and Exchange Commission, which are available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) or the Company's website at [www.herculesoffshore.com](http://www.herculesoffshore.com). The Company cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

Exhibit 99.1 Hercules Offshore Fleet Status Report (as revised)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERCULES OFFSHORE, INC.

Date: November 20, 2007

By: /s/ John T. Rynd  
John T. Rynd  
Executive Vice President and Chief Operating Officer

EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
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7 March 2018

Dear Shareholder

As your new Group Chairman, I am particularly looking forward to welcoming you to the HSBC Holdings plc 2018 Annual General Meeting (“AGM”) to be held at 11.00am on Friday, 20 April at the Queen Elizabeth II Conference Centre in central London. The venue is easily accessible by public transport. If, however, you are unable to attend in person, you may choose to watch the meeting via a webcast at [www.hsbc.com/agmwebcast](http://www.hsbc.com/agmwebcast).

I encourage you to read the Notice of the AGM and the particulars of the business to be considered at the meeting which are enclosed with this letter. In addition to the standard items of business, there are two items that I would like to specifically highlight:

## 1. Directors

As well as my own appointment as Group Chairman from 1 October last year, 2018 has seen the appointment of John Flint as your new Group Chief Executive with effect from 21 February.

We bade farewell to Douglas Flint in 2017 after 22 years' service to HSBC, with seven of those as Group Chairman. On behalf of all shareholders, I would again like to thank Douglas for his dedicated service to HSBC over a long and distinguished career. I would also like to thank Stuart Gulliver who, as Group Chief Executive, led HSBC through a challenging and difficult period with great energy and commitment and who successfully re-shaped the business strategy of the bank.

I would like to extend my particular thanks on behalf of the Board to Phillip Ameen, Joachim Faber and John Lipsky who have decided to retire at the end of their term of office and who will not therefore be seeking re-election at this year's AGM. I am incredibly grateful to each of them for their wise counsel, valuable insights and important contributions to the Board and to the committees on which they have served.

As is customary, John Flint and I will stand for election for the first time at this year's AGM and all of the other continuing Directors will stand for re-election. Our biographical details can be found on pages 13 to 16. The current composition of the Board can be found on pages 3 to 4.

At the conclusion of this year's AGM, subject to the election and re-election of the Directors recommended above, your Board will comprise a non-executive Chairman, three executive Directors and ten independent non-executive Directors.

HSBC Holdings plc

Incorporated in England with limited liability. Registered in England: number 617987

Registered Office and Group Head Office:

8 Canada Square, London E14 5HQ, United Kingdom

## 2. Articles of Association

We are proposing amendments to the Articles of Association, to align them with current market practice and to ensure that we are positioned to embrace technological advances to improve accessibility and participation at our meetings. The remaining changes are mainly administrative, further details of which can be found in Appendix 4 on pages 31 to 33.

Your Board and I consider that the proposals set out in this Notice of the AGM are in the best interests of the Company and its shareholders, and recommend that you vote in favour of all resolutions. The Directors intend to do so in respect of their own beneficial holdings.

A form of proxy is enclosed or can be accessed at [www.hsbc.com/proxy](http://www.hsbc.com/proxy). Whether or not you are able to attend the AGM, I encourage you to complete and submit a form of proxy. Appointing a proxy will not prevent you from attending the AGM and voting in person, should you subsequently be able to attend.

Together with the Board, I would like to thank you for your continued support and I very much look forward to welcoming you at the AGM.

Yours sincerely

Mark E. Tucker

Group Chairman

Directors

Mark E. Tucker, 60

Non-executive Group Chairman

Phillip Ameen, 69

Independent non-executive Director

Kathleen Casey, 51

Independent non-executive Director

Laura Cha, GBM, 68

Independent non-executive Director

Henri de Castries, 63

Independent non-executive Director

Lord Evans of Weardale, 60

Independent non-executive Director

Joachim Faber, 67

Independent non-executive Director

John Flint, 49

Group Chief Executive

Irene Lee, 64

Independent non-executive Director

John Lipsky, 71



Independent non-executive Director

Iain Mackay, 56

Group Finance Director

Heidi Miller, 64

Independent non-executive Director

Marc Moses, 60

Group Chief Risk Officer

David Nish, 57

Independent non-executive Director

Jonathan Symonds, CBE, 59

Senior independent non executive Director

Jackson Tai, 67

Independent non-executive Director

Pauline van der Meer Mohr, 58

Independent non-executive Director

Secretary

Ben Mathews, 51

Group Company Secretary

HSBC Holdings plc

Notice of the 2018 Annual General Meeting

Notice is hereby given that the 2018 Annual General Meeting of HSBC Holdings plc will be held at the Queen Elizabeth II Conference Centre, Broad Sanctuary, London SW1P 3EE, United Kingdom at 11.00am on Friday, 20 April 2018 to consider and, if thought fit, pass the resolutions below. Resolutions 1 to 7, 10, 12 and 14 will be proposed as ordinary resolutions. Resolutions 8, 9, 11, 13, 15 and 16 will be proposed as special resolutions.

1.  
Annual Report & Accounts\*

To receive the Annual Accounts and Report of the Directors and of the Auditor for the year ended 31 December 2017.

2.  
Directors' Remuneration Report\*

To approve the Directors' Remuneration Report set out on pages 141 to 164 of the Annual Report & Accounts for the year ended 31 December 2017, excluding the Directors' Remuneration Policy set out on pages 143 to 144.

3.  
Election and re-election of Directors\*

To elect by separate resolutions each of:

(a)  
Mark Tucker; and

(b)  
John Flint;

To re-elect by separate resolutions each of:

(c) Kathleen Casey;	(i) Heidi Miller;
(d) Laura Cha;	(j) Marc Moses;
(e) Henri de Castries;	(k) David Nish;
(f) Lord Evans of Weardale;	(l) Jonathan Symonds;
(g) Irene Lee;	(m) Jackson Tai; and
(h) Iain Mackay;	(n) Pauline van der Meer Mohr.

4. Re-appointment of Auditor\*

To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company.

5. Remuneration of Auditor\*

To authorise the Group Audit Committee to determine the remuneration of the Auditor.

6.  
Political Donations\*

THAT in accordance with sections 366 and 367 of the UK Companies Act 2006 (the “Act”) the Company, and any company which is a subsidiary of the Company at any time during the period for which this resolution has effect, be authorised to:

(a)  
make political donations to political parties and/or independent election candidates;

(b)  
make political donations to political organisations other than political parties; and

(c)  
incur political expenditure,

in each case during the period starting on the date of passing of this Resolution 6 and expiring at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is earlier, provided the aggregate amount of any such donations and expenditure shall not exceed £200,000 during the period for which this Resolution 6 has effect. For the purposes of this resolution, the terms ‘political donations’, ‘political parties’, ‘independent election candidates’, ‘political organisations’ and ‘political expenditure’ shall have the meanings given to them by sections 363 to 365 of the Act.

\* Ordinary Resolution

# Special Resolution

7.

Authority to allot shares\*

THAT the Directors be generally and unconditionally authorised pursuant to and for the purposes of section 551 of the UK Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

(a)  
up to an aggregate nominal amount of US\$1,999,610,418 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (b) or (c) of this resolution so that in total no more than US\$3,332,684,030 can be allotted or granted under paragraphs (a) and (b) of this resolution and no more than US\$6,665,368,060 can be allotted under paragraphs (a), (b) and (c) of this resolution); and

(b)  
up to an aggregate nominal amount of US\$3,332,684,030 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (a) or (c) of this resolution so that in total no more than US\$3,332,684,030 can be allotted or granted under paragraphs (a) and (b) of this resolution and no more than US\$6,665,368,060 can be allotted under paragraphs (a), (b) and (c) of this resolution) in connection with an offer or invitation to:

(i)  
holders of ordinary shares in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them; and

(ii)  
holders of other securities, bonds, debentures or warrants which, in accordance with the rights attaching thereto, are entitled to participate in such an offer or invitation or as the Directors consider necessary,

but in each case subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to record dates, fractional entitlements, treasury shares or securities represented by depositary receipts or having regard to any restrictions, obligations, practical or legal problems under the laws of or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and

(c)  
comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of US\$6,665,368,060 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (a) or (b) of this resolution so that in total no more than US\$6,665,368,060 can be allotted under paragraphs (a), (b) and (c) of this resolution) in connection with a rights issue to:

(i)  
holders of ordinary shares in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them; and

(ii)  
holders of other securities, bonds, debentures or warrants which, in accordance with the rights attaching thereto, are entitled to participate in such an issue or as the Directors consider necessary,

but in each case subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to record dates, fractional entitlements, treasury shares or securities represented by depositary receipts or having regard to any restrictions, obligations, practical or legal problems under the laws of or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and

(d)

up to an aggregate nominal amount of £150,000 (in the form of 15,000,000 non-cumulative preference shares of £0.01 each), €150,000 (in the form of 15,000,000 non-cumulative preference shares of €0.01 each) and US\$150,000 (in the form of 15,000,000 non-cumulative preference shares of US\$0.01 each),

provided that such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier, save that this authority shall allow the Company before the expiry of this authority to make offers, and enter into agreements, which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after the authority expires and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

\* Ordinary Resolution

# Special Resolution

8.

Disapplication of pre-emption rights#

THAT if Resolution 7 set out in the Notice convening this meeting is passed, the Directors be authorised to allot equity securities (as defined in the UK Companies Act 2006 (the “Act”)) for cash under the authority given by Resolution 7 and/or to sell shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited:

(a)

to the allotment of equity securities or sale of treasury shares for cash in connection with any rights issue, or other offer or invitation (but in the case of the authority granted under paragraph (c) of Resolution 7, by way of a rights issue only) to:

(i)

holders of ordinary shares in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them; and

(ii)

holders of other securities, bonds, debentures or warrants which, in accordance with the rights attaching thereto, are entitled to participate in such an issue, offer or invitation or as the Directors consider necessary,

but in each case subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to record dates, fractional entitlements, treasury shares or securities represented by depositary receipts or having regard to any restrictions, obligations, practical or legal problems under the laws of or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and

(b)

to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of US\$499,902,604,

provided that such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier, save that this authority shall allow the Company before expiry of this authority to make offers, and enter into agreements, which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) under any such offer or agreement as if the authority had not expired.

9.

Further disapplication of pre-emption rights for acquisitions etc.#

THAT if Resolution 7 set out in the Notice convening this meeting is passed, the Directors be authorised (in addition to any authority granted under Resolution 8 set out in the Notice convening this meeting) to allot equity securities (as defined in the UK Companies Act 2006 (the "Act")) for cash under the authority given by Resolution 7 and/or to sell shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be:

(a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of US\$499,902,604; and

(b)

used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the Notice convening this meeting,

provided that such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier, save that this authority shall allow the Company before expiry of this authority to make offers, and enter into agreements, which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) under any such offer or agreement as if the authority had not expired.

10. Addition of any repurchased shares to general authority to allot shares\*

THAT the authority granted to the Directors to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company pursuant to paragraph (a) of Resolution 7 set out in the Notice convening this meeting be extended by the addition of such number of ordinary shares of US\$0.50 each representing the nominal amount of the Company's share capital repurchased by the Company under the authority granted pursuant to Resolution 11 set out in the Notice convening this meeting, to the extent that such extension would not result in any increase

\* Ordinary Resolution

# Special Resolution

in the authority to allot shares or grant rights to subscribe for or convert securities into shares pursuant to paragraphs (b) and (c) of Resolution 7 set out in the Notice convening this meeting.

11. Purchases of Ordinary Shares by the Company#

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the UK Companies Act 2006 (the “Act”) to make market purchases (within the meaning of section 693 of the Act) of Ordinary Shares of US\$0.50 each (“Ordinary Shares”) and on such terms and in such manner as the Directors shall from time to time determine provided that:

- (a)  
the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,999,610,418 Ordinary Shares;
- (b)  
the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is US\$0.50 or the equivalent in the relevant currency in which the purchase is effected calculated by reference to the spot rate of exchange for the purchase of United States dollars with such other currency as quoted by HSBC Bank plc in the London Foreign Exchange Market at or about 11.00am (London time) on the business day (being a day on which banks are ordinarily open for the transaction of normal banking business in London) prior to the date on which the Ordinary Share is contracted to be purchased, in each case such rate to be the rate as conclusively certified by an officer of HSBC Bank plc;
- (c)  
the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the lower of (i) 105 per cent of the average of the middle market quotations for the Ordinary Shares (as derived from the Daily Official List of the London Stock Exchange plc) for the five dealing days immediately preceding the day on which the Ordinary Share is contracted to be purchased, or (ii) 105 per cent of the average of the closing prices of the Ordinary Shares on The Stock Exchange of Hong Kong Limited for the five dealing days immediately preceding the day on which the Ordinary Share is contracted to be purchased, in each case converted (where relevant) into the relevant currency in which the purchase is effected calculated by reference to the spot rate of exchange for the purchase of such currency with the currency in which the quotation and/or price is given as quoted by HSBC Bank plc in the London Foreign Exchange Market at or about 11.00am (London time) on the business day prior to the date on which the Ordinary Share is contracted to be purchased, in each case such rate to be the rate as conclusively certified by an officer of HSBC Bank plc;
- (d)  
unless previously revoked or varied this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier; and
- (e)  
the Company may prior to the expiry of this authority make a contract or contracts to purchase Ordinary Shares under this authority which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Ordinary Shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

12.

Additional authority to allot equity securities in relation to the issue of Contingent Convertible Securities\*  
THAT in addition to any authority granted pursuant to Resolution 7 set out in the Notice convening this meeting, the Directors be generally and unconditionally authorised under and for the purposes of section 551 of the UK Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of US\$1,999,610,418 in relation to any issue by the Company or any member of the Group of Contingent Convertible Securities (“CCSs”) that automatically convert into or are exchanged for ordinary shares in the Company in prescribed circumstances where the Directors consider such an issue of CCSs would be desirable in connection with, or for the purposes of, complying with or maintaining compliance with regulatory capital requirements or targets applicable to

the Group from time to time and otherwise on terms as may be determined by the Directors, provided that such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier, save that this authority shall allow the Company before the expiry of this authority to make offers, and enter into agreements, which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after the authority expires and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

\* Ordinary Resolution

# Special Resolution

13.  
Limited disapplication of pre-emption rights in relation to the issue of Contingent Convertible Securities#

THAT if Resolution 12 set out in the Notice convening this meeting is passed, the Directors be authorised (in addition to any authority granted under Resolutions 8 and 9 set out in the Notice convening this meeting) to allot equity securities (as defined in the UK Companies Act 2006 (the “Act”)) for cash under the authority given by Resolution 12 and/or to sell shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or at the close of business on 30 June 2019, whichever is the earlier, save that this authority shall allow the Company before expiry of this authority to make offers, and enter into agreements, which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) under any such offer or agreement as if the authority had not expired.

14. Renewal of scrip dividend authority\*

THAT the Directors be and are hereby empowered to exercise the powers conferred upon them by Article 157.1 of the Articles of Association of the Company or, if Resolution 15 set out in the Notice convening this meeting is passed, Article 155.1 of the Articles of Association of the Company (as from time to time varied) so that, to the extent and in the manner determined by the Directors, the holders of Ordinary Shares of US\$0.50 each (“Ordinary Shares”) be permitted to elect to receive Ordinary Shares instead of all or part of any dividend (including interim dividends) declared up to the conclusion of the Annual General Meeting of the Company to be held in 2019.

15. Amendment to the Articles of Association#

THAT, with effect from the conclusion of the Annual General Meeting, the Articles of Association produced to the meeting, and initialled for the purpose of identification by the Chairman, be and are hereby adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association.

16. Notice of general meetings#

THAT the Company hereby approves general meetings (other than annual general meetings) being called on a minimum of 14 clear days’ notice.

By order of the Board



B J S Mathews  
7 March 2018

Group Company Secretary

\* Ordinary Resolution

# Special Resolution

HSBC Holdings plc  
Incorporated in England with limited liability. Registered in England: number 617987 Registered Office and Group Head Office:  
8 Canada Square, London E14 5HQ, United Kingdom

Explanatory notes

Information about the business to be considered at the 2018 Annual General Meeting (“AGM”) is set out below.

These explanatory notes should be read in conjunction with the Annual Report & Accounts in respect of the year ended 31 December 2017. This Notice of AGM, the Annual Report & Accounts and the Strategic Report are available at [www.hsbc.com](http://www.hsbc.com).

For the purpose of this Notice, the issued share capital (excluding treasury shares) of the Company on 20 February 2018, being the latest practicable date prior to the printing of this document, was 19,996,104,179 Ordinary Shares of US\$0.50 each.

1.  
Annual Report & Accounts

The purpose of this item is for shareholders to receive and consider the Annual Accounts and the Reports of the Directors and of the Auditor for the year ended 31 December 2017.

2.  
Directors’ Remuneration Report

The purpose of this item is to seek shareholder approval of the Directors’ Remuneration Report for the year ended 31 December 2017 (other than the part containing the Directors’ Remuneration Policy on pages 143 to 144 of the Annual Report & Accounts). The Directors’ Remuneration Report is on pages 141 to 164 of the Annual Report & Accounts. The actual remuneration paid to Directors in 2017 was made within the boundaries of the Directors’ Remuneration Policy approved by shareholders at the 2016 Annual General Meeting. The vote on the Directors’ Remuneration Report is advisory in nature and cannot impact what is paid under the shareholder-approved Policy.

3.

### Election and re-election of Directors

The Board has concluded that all of the non-executive Directors standing for election or re-election at the AGM are independent in character and judgement.

When considering independence, the Board calculates the length of service of a non-executive Director by reference to the date of his or her election by shareholders following their appointment. The Board has determined that there are no relationships or circumstances which are likely to affect the judgement of any of the non-executive Directors. Any relationships or circumstances which could appear to do so are not considered to be material. Each of the Directors standing for election or re-election has confirmed that they have no material relationship with another Director, a member of senior management or any substantial or controlling shareholder of HSBC Holdings plc.

### Election of new Directors

Mark Tucker and John Flint will offer themselves for election as Directors, having been appointed to the Board on 1 September 2017 and 21 February 2018, respectively. Mark Tucker, who assumed the role of non-executive Group Chairman on 1 October 2017, was determined by the Board to be independent upon his appointment to the Board. John Flint, formerly Chief Executive Officer of the Group's Retail Banking and Wealth Management business, was announced as the successor to Stuart Gulliver, Group Chief Executive, who stepped down from his role on 20 February 2018, following the announcement of the Company's 2017 financial results.

### Re-election of Directors

The Board, both prior to a Director's appointment and when nominating a Director for re-election enquires, and obtains assurance, that each Director is, or will be, capable of contributing the time both expected of them and unanticipated, should additional demands be placed on them in relation to HSBC and in relation to their other commitments.

The Board has considered carefully the directorships held by the Directors and has applied the same standard of enquiry for each of them. Our focus as a Group is in determining the ability of each Director to commit and to ensure that they have sufficient time to fulfil their individual obligations, rather than a strict adherence to a numeric count of directorships. In addition, individual performance evaluations and assessment of contributions to Board discussion have been undertaken which have confirmed that all of the Directors are performing effectively and demonstrate commitment to their roles, with each of the Directors being fully able to discharge his or her duties.

The Board notes the following in relation to two of the Directors seeking re-election:

### Irene Lee

The Board has given very careful consideration to the concerns registered by some shareholders in connection with the proposed re-election of Irene Lee at the 2017 Annual General Meeting due to her external commitments.

Irene Lee is a highly-valued and experienced Director with specific geographic and commercial experience which is of particular relevance to the delivery of the Group's strategy. The Board attaches great importance to the contribution that Ms Lee makes to HSBC and, following very constructive discussions with her led by the Group Chairman, the Board believes that she is and remains resolutely committed to her role. In relation to her executive accountabilities as Chairman of Hysan Development Company Limited, Ms Lee has delegated day to day operational responsibility to her executive team. Since the 2017 Annual General Meeting, Ms Lee has stepped down from one of her external directorships which has given her greater time to focus on HSBC and her related HSBC responsibilities, including the subsidiary boards of The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited on

which she serves. Furthermore, it is also Ms Lee's intention to step down from one of her other external directorships at the conclusion of her term in office in May 2018. By that time, HSBC will have become her single most significant external, non-executive commitment, thereby reinforcing the focus of attention and importance she attaches to her role with HSBC.

The Board is extremely supportive of Ms Lee and is very grateful for the continued commitment that she has shown. It unreservedly endorses her re-election and strongly encourages shareholders to support her re-election.

Laura Cha

Laura Cha is a non-executive Director with considerable geographic expertise and experience and a deep-rooted knowledge and understanding of Asian business and culture. The breadth and diversity of her experience makes her an invaluable member of, and an active contributor to, the Board.

In addition to her principal directorship with the Company and its subsidiary, The Hongkong and Shanghai Banking Corporation Limited, Ms Cha has a number of external public and private interests. From April 2018, she will be joining the board of Hong Kong Exchanges and Clearing Limited as a non-executive Director. In order to ensure that she is best placed to continue making a valuable and active contribution to her role with HSBC, Ms Cha has reviewed her current external commitments. She stepped down from her role as a Hong Kong Delegate to the 12th National People's Congress of China and from her membership of the London Stock Exchange Regulatory Advisory Group. Additionally, she will be resigning from one of her other external directorships at the conclusion of her term in office in May 2018. HSBC will therefore continue to be a significant external, non-executive commitment for Ms Cha and the Board is grateful for the consideration that she has shown in ensuring that she is able to commit sufficient time to her role and the importance that she clearly attaches to it.

The Board fully endorses the recommendation for her re-election.

Based upon the review undertaken, the Board has satisfied itself that each of the Directors is fully able to discharge his or her duties to the Company and that they each have sufficient capacity to meet their commitments to the Company. The Board has therefore concluded that all of the Directors except, as previously announced, Phillip Ameen, Joachim Faber and John Lipsky, should offer themselves for election and re-election in accordance with the Group's regular practice.

#### Non-executive Directors' fees

With the exception of the non-executive Group Chairman who receives a fee of £1.5 million per annum, each non-executive Director receives a fee of £110,000 per annum in accordance with the Directors' Remuneration Policy approved by shareholders at the 2016 Annual General Meeting. The fees paid to non-executive Directors who are standing for election/re-election as members of Board committees are set out below (these and Board fees are pro-rated for part year service where relevant):

Committee*	Fees (per annum)		Committee members standing for election/re-election
	Chairman	Member	
Group Audit Committee	£60,000	£30,000	

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			Jonathan Symonds (Chairman), Kathleen Casey, David Nish
Group Risk Committee	£60,000	£30,000	Jackson Tai (Chairman), Heidi Miller
Group Remuneration Committee	£60,000	£30,000	Pauline van der Meer Mohr (Chairman), Henri de Castries, David Nish
Financial System Vulnerabilities Committee	£60,000	£30,000	Lord Evans of Weardale (Chairman), Kathleen Casey, Jackson Tai
Conduct & Values Committee	£60,000	£30,000	Pauline van der Meer Mohr (Chairman), Laura Cha, Lord Evans of Weardale, Jonathan Symonds
Nomination Committee	£40,000	£25,000	Mark Tucker (Chairman), Laura Cha, Jonathan Symonds, Pauline van der Meer Mohr
Philanthropic & Community Investment Oversight Committee	£25,000	£15,000	Laura Cha (Chairman), Lord Evans of Weardale

\*

For further details of the roles and accountabilities of each of these Board committees, see pages 128 to 134 of the Annual Report & Accounts.

Laura Cha, as a non-executive Director, Deputy Chairman and a member of the Nomination Committee of The Hongkong and Shanghai Banking Corporation Limited, receives fees in those capacities of HK\$550,000, HK\$125,000, HK\$75,000 respectively per annum. These fees were authorised by the shareholders of The Hongkong and Shanghai Banking Corporation Limited.

Irene Lee, as a non-executive Director, a member of the Audit Committee and a member of the Risk Committee of The Hongkong and Shanghai Banking Corporation Limited, receives fees of HK\$550,000, HK\$200,000 and HK\$200,000 respectively per annum. In addition, as a non-executive Director, Chairman of the Risk Committee and member of the Audit Committee of Hang Seng Bank Limited, she receives fees of HK\$ 500,000, HK\$260,000 and HK\$160,000 respectively per annum. These fees were authorised by shareholders and the Board of The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited respectively.

Heidi Miller receives a separate fee of US\$550,000 per annum as non-executive Chairman of HSBC North America Holdings Inc. This fee was approved by the Group Remuneration Committee of HSBC Holdings plc on 5 November 2015 and authorised by the Board of HSBC North America Holdings Inc.

Jonathan Symonds receives a separate fee of £400,000 per annum as non-executive Chairman of HSBC Bank plc. This fee was approved by the Group Remuneration Committee of HSBC Holdings plc on 25 May 2017.

Each non-executive Director, not based in the UK, receives a travel allowance of £4,000 per annum.

#### Non-executive Directors' terms of appointment

Non-executive Directors do not have service contracts with HSBC Holdings plc. Subject to their election or re-election by shareholders, the terms of appointment of the non-executive Directors standing for election or re-election will expire as follows: Henri de Castries, Irene Lee and Pauline van der Meer Mohr – 2019; Mark Tucker, Kathleen Casey, Laura Cha, Lord Evans of Weardale, David Nish, Jonathan Symonds and Jackson Tai – 2020; and Heidi Miller – 2021.

#### Executive Directors' service contracts and remuneration

The executive Directors have rolling service contracts with a notice period of 12 months for either party. The dates of the service contracts are:

John Flint  
21 February 2018

Iain Mackay  
4 February 2011

Marc Moses  
27 November 2014

Under the terms of their employment: John Flint, Iain Mackay and Marc Moses each receive fixed pay consisting of base salary, cash in lieu of pension and fixed pay allowance and are eligible to receive discretionary variable pay awards. The base salaries paid to John Flint, Iain Mackay and Marc Moses are £1,200,000, £700,000 and £700,000 per annum respectively. The cash in lieu of pension paid to John Flint, Iain Mackay and Marc Moses are £360,000, £210,000 and £210,000 per annum respectively. Fixed pay allowances are delivered in shares in four equal instalments and the shares (net of shares sold to cover any income tax and social security) will be subject to a retention period. Shares will be 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. The fixed pay allowances paid to John Flint, Iain Mackay and Marc Moses are £1,700,000, £950,000 and £950,000 per annum respectively.

Further details of the Directors' emoluments are set out in the Directors' Remuneration Report contained in the Annual Report & Accounts on pages 144 to 164.

The Directors at the date of this document are: Phillip Ameen†, Kathleen Casey†, Laura Cha†, Henri de Castries†, Lord Evans of Weardale†, Joachim Faber†, John Flint, Irene Lee†, John Lipsky†, Iain Mackay, Heidi Miller†, Marc Moses, David Nish†, Jonathan Symonds†, Jackson Tai†, Mark Tucker\* and Pauline van der Meer Mohr†.

\* Non-executive Group Chairman

† Independent non-executive Director

#### Biographical details

Brief biographical details of each of the Directors standing for election and re-election are set out below.

Mark Tucker\*, 60

Non-executive Group Chairman

Appointed to the Board: September 2017, Non-executive Group Chairman since October 2017

Chairman of the Nomination Committee

**Skills and Experience:** Mark has extensive experience in the financial services industry in Asia and the UK. Most recently he was Group Chief Executive and President of AIA Group Limited (“AIA”). Before joining AIA, Mark was Group Chief Executive of Prudential plc and the founding Chief Executive of Prudential Corporation Asia Limited. Mark also previously served as a non-executive director of the Court of The Bank of England, as an independent non-executive director of the Goldman Sachs Group and as Group Finance Director of HBOS plc.

**Current appointments include:** Serves on the Asia Business Council and the Advisory Board of the Asia Global Institute.

John Flint, 49

Group Chief Executive

Appointed to the Board: February 2018

**Skills and Experience:** John joined HSBC in 1989 and became a Group Managing Director in 2013.

**Former appointments include:** a director of HSBC Private Banking Holdings (Suisse) SA, a director of HSBC Bank Canada, Chief of Staff to the Group Chief Executive and Group Head of Strategy and Planning, Chief Executive Officer HSBC Global Asset Management, Group Treasurer and Deputy Head of Global Markets. John was Chief Executive Officer of Retail Banking and Wealth Management until January 2018. John was appointed as a director of The Hongkong and Shanghai Banking Corporation Limited on 16 January 2018 and as the Chairman of the Board with effect from 21 February 2018 in succession to Stuart Gulliver, who stepped down as a Director and the Chairman of the Board on 20 February 2018. He took over from Stuart Gulliver as Group Chief Executive on 21 February 2018.

Kathleen Casey†, 51

Appointed to the Board: March 2014

Member of the Group Audit Committee and the Financial System Vulnerabilities Committee

**Skills and Experience:** Kathleen has extensive financial regulatory policy experience. She is a former Commissioner of the US Securities and Exchange Commission, and acted as its principal representative in multilateral and bilateral regulatory dialogues with the G-20 Financial Stability Board and the International Organisation of Securities Commissions. Other former appointments include Staff Director and Counsel to the United States Senate Committee on Banking, Housing, and Urban Affairs; Chair of the Alternative Investment Management Association; and Legislative Director and Chief of Staff for a US Senator.

Current appointments include: Senior adviser to Patomak Global Partners and to a number of public bodies in the US, and a member of the Board of Trustees of the Financial Accounting Foundation.

Laura Cha†, GBM, 68

Appointed to the Board: March 2011

Chairman of the Philanthropic & Community Investment Oversight Committee and a member of the Conduct & Values Committee and the Nomination Committee

Skills and Experience: Laura has extensive regulatory and policy making experience in the finance and securities sector in Hong Kong and mainland China. She is the former Vice Chairman of the China Securities Regulatory Commission. Other former appointments include serving as a non-executive director of Bank of Communications Co., Limited, and Tata Consultancy Services Limited. She also served as Deputy Chairman of the Securities and Futures Commission in Hong Kong.

Current appointments include: A non-executive Deputy Chairman of The Hongkong and Shanghai Banking Corporation Limited, Chairman of Hong Kong's Financial Services Development Council and a non-executive director of China Telecom Corporation Limited, Unilever PLC and Unilever N.V.

Henri de Castries†, 63

Appointed to the Board: March 2016

Member of the Group Remuneration Committee

Skills and Experience: Henri has more than 25 years international experience in the financial services industry. He joined AXA in 1989 holding a number of senior roles, ultimately as Chairman and Chief Executive Officer of AXA SA until 1 September 2016.

Current appointments include: Chairman of Europe and Special Adviser of General Atlantic, Chairman of Institut Montaigne, a French think-tank; the lead independent director of Nestlé S.A. and a non-executive director of the French National Foundation for Political Science.

Lord Evans of Weardale†, 60

Appointed to the Board: August 2013

Chairman of the Financial System Vulnerabilities Committee and a member of the Conduct & Values Committee and the Philanthropic & Community Investment Oversight Committee

Skills and Experience: Jonathan has 30 years of experience in national security policy and operations. He was formerly Director General of the UK's Security Service (MI5) and had oversight of the Joint Terrorist Analysis Centre and the Centre for the Protection of National Infrastructure, and attended the National Security Council.

Current appointments include: A non-executive director of Ark Data Centres and an adviser to various cybersecurity and technology companies.

Irene Lee†, 64

Appointed to the Board: July 2015

**Skills and Experience:** Irene has more than 40 years' finance industry experience, having held senior investment banking and fund management positions in the UK, the US and Australia, including positions at Citibank and the Commonwealth Bank of Australia. Other former appointments include serving as a member of the Advisory Council of J.P. Morgan Australia and the Australian Takeovers Panel.

Current appointments include: Executive Chairman of Hysan Development Company Limited and a non-executive director of The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Cathay Pacific Airways Limited and CLP Holdings Limited.

Iain Mackay, 56  
Group Finance Director

Appointed to the Board: December 2010

**Skills and Experience:** Iain has extensive financial and international experience, having worked in London, Paris, the US, Africa and Asia. He joined HSBC in 2007 as Chief Financial Officer of HSBC North America Holdings Inc. Other former appointments include director of Hang Seng Bank Limited and Chief Financial Officer, HSBC Asia-Pacific. Before joining HSBC, Iain worked at General Electric ('GE'), serving as Controller of its Global Consumer Finance Unit, Chief Financial Officer of GE Consumer Finance Americas, and Chief Financial Officer of GE Healthcare – Global Diagnostic Imaging. Iain is a member of the Institute of Chartered Accountants of Scotland.

Current appointments include: Member of the Board of Trustees of the British Heart Foundation and Chairman of its audit and risk committee. Iain is also an Independent Member of the Court of the University of Aberdeen.

Heidi Miller†, 64  
Appointed to the Board: September 2014

Member of the Group Risk Committee

**Skills and Experience:** Heidi is a former President of International at JP Morgan Chase, and was responsible for leading the global expansion and the international business strategy across its investment bank, asset management, and treasury and securities services divisions. She was also a non-executive director of Merck & Co., Inc. and Progressive Corp.; Executive Vice President and Chief Financial Officer of Bank One Corporation; Senior Executive Vice President of Priceline.com Inc.; and Executive Vice President and Chief Financial Officer of Citigroup Inc.

Current appointments include: Chairman of HSBC North American Holdings Inc., a non-executive director of First Data Corporation and General Mills Inc., and an advisory director of SRS Acquiom LLC.

Marc Moses, 60  
Group Chief Risk Officer

Appointed to the Board: January 2014

**Skills and Experience:** Marc joined HSBC in 2005 as Chief Financial and Risk Officer for Global Banking and Markets, and in December 2010 became Group Chief Risk Officer. He has extensive risk management and financial experience. Marc is a Fellow of the Institute of Chartered Accountants in England and Wales. He was European Chief Financial Officer at J.P. Morgan and an audit partner at Price Waterhouse.

David Nish†, 57  
Appointed to the Board: May 2016



Member of the Group Audit Committee and Group Remuneration Committee

Skills and Experience: David served as Chief Executive Officer of Standard Life plc between 2010 and 2015, having joined as Finance Director in 2006. Other former appointments include non-executive director of the UK Green Investment Bank plc, Group Finance Director of Scottish Power plc, non-executive director of HDFC Life (India) and partner of Price Waterhouse. He is a qualified chartered accountant.

Current appointments include: A non-executive director of Vodafone plc, London Stock Exchange Group plc and Zurich Insurance Group.

Jonathan Symonds†, CBE, 59

Appointed to the Board: April 2014. Senior Independent Director since April 2017

Chairman of the Group Audit Committee and a member of the Nomination Committee and the Conduct & Values Committee

Skills and Experience: Jonathan is a former Chief Financial Officer of Novartis AG and AstraZeneca plc. He was also a partner and Managing Director of Goldman Sachs, a partner of KPMG, and a non-executive director and chair of the Audit Committee of Diageo plc. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

Current appointments include: Chairman of HSBC Bank plc and Proteus Digital Health Inc., and a non-executive director of Genomics England Limited.

Jackson Tai†, 67

Appointed to the Board: September 2016

Chairman of the Group Risk Committee and member of the Financial System Vulnerabilities Committee

Skills and Experience: Jackson was formerly Vice Chairman and Chief Executive of DBS Group and DBS Bank Ltd, having served the group as Chief Financial Officer and then as President and Chief Operating Officer. He previously worked at J.P. Morgan & Co. Incorporated as an investment banker in New York, Tokyo and San Francisco. Other former appointments include non-executive director of Bank of China Limited, Singapore Airlines, NYSE Euronext, ING Groep N.V., CapitaLand Ltd, SingTel Ltd. and Jones Lang LaSalle Inc. Jackson also served as Vice Chairman of Islamic Bank of Asia.

Current appointments include: Non-executive director of Eli Lilly and Company, Koninklijke Philips Electronics N.V., Mastercard Incorporated and the Canada Pension Plan Investment Board.

Pauline van der Meer Mohr†, 58

Appointed to the Board: September 2015

Chairman of the Group Remuneration Committee and the Conduct & Values Committee and member of the Group Nomination Committee

Skills and Experience: Pauline has extensive legal and human resources experience across a number of different sectors, and contributed to the Dutch Banking Code Monitoring Commission. Former appointments include President of Erasmus University Rotterdam; Senior Executive Vice President and Head of Group Human Resources at ABN AMRO Bank NV; Group Human Resources Director at TNT NV; HR Director, Information Technology, Royal Dutch Shell Group; and Senior Legal Counsel, Shell International.

Current appointments include: Chair of the supervisory board of EY Netherlands and member of the supervisory boards of ASML Holding N.V. and Royal DSM N.V.

\* Non-executive Group Chairman

† Independent non-executive Director

Save as disclosed above and in Appendix 3 there are no further matters or particulars required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”).

#### 4 and 5. Re-appointment of Auditor and remuneration of Auditor

The current appointment of PricewaterhouseCoopers LLP (“PwC”) as Auditor of the Company terminates at the conclusion of this year’s AGM. PwC has expressed its willingness to continue in office. The Group Audit Committee and the Board have recommended that PwC be re-appointed until the conclusion of the 2019 Annual General Meeting and that the Group Audit Committee be authorised to determine its remuneration.

An analysis of the remuneration paid in respect of audit and non-audit services provided by our Auditor and their affiliates for each of the past three years is disclosed on page 203 in the Annual Report & Accounts.

#### 6. Political Donations

The UK Companies Act 2006 (the “Act”) requires companies to obtain shareholder authority for donations to registered political parties and other political organisations, totalling more than £5,000 in any 12 month period and for any political expenditure, subject to limited exceptions.

In accordance with Group policy, HSBC does not make any political donations or incur political expenditure within the ordinary meaning of those words. We have no intention of altering this policy. However, the definitions of political donations, political parties, political organisations and political expenditure used in the Act are very wide. As a result, they may cover routine activities that form part of the normal business activities of the Group and are an accepted part of engaging with stakeholders to ensure that issues and concerns which affect the Group’s operations are considered and addressed, but which would not be considered as political donations or political expenditure in the ordinary sense of those words. Activities including contributions to or support for bodies such as those concerned with policy review and law reform or with the representation of the business community or sections of it may be deemed to be political donations or expenditure as defined by the Act. The activities referred to above are not designed to influence public support for any political party or political outcome. The authority is being sought on a precautionary basis only to ensure that neither the Company nor any of its subsidiaries inadvertently breaches the Act. Resolution 6 proposes an aggregate overall cap of £200,000 per annum for all such political donations and expenditure.

If Resolution 6 is passed, this authority will be effective until the conclusion of the 2019 Annual General Meeting or the close of business on 30 June 2019, whichever is the earlier.

#### 7. Authority to allot shares

This year, the Directors are again seeking authority under section 551 of the Act to allot shares up to an aggregate total nominal amount of two-thirds of the Company’s issued ordinary share capital subject to the restrictions set out in Resolution 7 and explained below. The authority given to the Directors at the 2017 Annual General Meeting will expire at the conclusion of the 2018 Annual General Meeting. Resolution 7 will give the Directors authority to allot new ordinary shares (or rights to ordinary shares) of up to an aggregate nominal amount of US\$6,665,368,060, representing two-thirds of the Company’s issued ordinary share capital. However, that authority is limited as follows:

(a)

under paragraph (a) of Resolution 7, up to an aggregate nominal amount of US\$1,999,610,418, representing approximately 20 per cent of the Company's issued ordinary share capital, may be used for general allotments;

(b)  
under paragraph (b) of Resolution 7, the Directors would have authority to make allotments which exceed the 20 per cent authority in paragraph (a) of Resolution 7 in connection with a pre-emptive offering such as a rights issue, open offer or a scrip dividend up to an aggregate nominal amount, when combined with allotments made under paragraph (a), of US\$3,332,684,030. This represents approximately one-third of the issued ordinary share capital of the Company; and

(c)  
under paragraph (c) of Resolution 7, the Directors would have authority to allot up to an aggregate nominal amount of US\$6,665,368,060 in connection with a rights issue only. This represents approximately two-thirds of the Company's issued ordinary share capital. Any allotments or grants under paragraphs (a) or (b) of Resolution 7 will reduce the level of this two-thirds authority.

In Resolution 7 paragraph (d), the Board is again seeking authority to issue sterling, US dollar and euro preference shares without having first to obtain the consent of shareholders at a general meeting. These preference shares were created to underpin issues of preferred securities, which are a tax efficient form of regulatory capital. If approved by shareholders, this authority will give Directors the flexibility to raise regulatory capital should circumstances so require. If any preference shares were to be issued they would, subject to regulatory approval, be redeemable at the Company's option and carry no voting rights other than in exceptional circumstances, but would rank in priority to the Company's ordinary shares with respect to participation in any return of capital. The Board has no present intention of exercising this authority.

If granted, this authority will be effective until the conclusion of the 2019 Annual General Meeting or the close of business on 30 June 2019, whichever is the earlier.

As at 20 February 2018, being the latest practicable date prior to printing of this document, the Company held 325,273,407 of its ordinary shares in treasury, representing 1.60 per cent of the issued ordinary share capital (including treasury shares) and 1.63 per cent of the issued ordinary share capital (excluding treasury shares).

#### 8 and 9. Disapplication of pre-emption rights

Resolutions 8 and 9 are to approve the disapplication of statutory pre-emption rights under the Act in respect of certain allotments of shares made under the authorities in Resolution 7, in line with the guidelines on share capital management issued by the UK's Investment Association (the "IA Guidelines") and the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights. If the Directors wish to exercise the authority under Resolution 7 and offer shares (or sell any shares which the Company may purchase or elect to hold as treasury shares) for cash, the Act requires that unless shareholders have given specific authority for the disapplication of their statutory pre-emption rights, the new shares must be offered first to existing shareholders in proportion to their existing shareholdings. Resolutions 8 and 9 seek to give the Directors' flexibility, in certain circumstances, to allot new shares (or to grant rights over shares) for cash or to sell treasury shares for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 8 seeks to give the Directors additional flexibility in the context of pre-emptive offerings such as a rights issue, open offer, or scrip dividend, to deal with legal or practical difficulties in countries outside the UK which prevent the offer being made on a purely pro rata basis. It also seeks a disapplication of pre-emption rights in respect of allotments or sales of treasury shares for cash up to an aggregate nominal amount of US\$499,902,604, representing approximately five per cent of the Company's issued ordinary share capital. This is designed to reflect the guidelines contained in the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights, which impose a

five per cent limit for non-pre-emptive allotments for cash, excluding certain allotments such as those under employee share plans.

Resolution 9 is proposed as a separate resolution, in accordance with a recommendation of the Pre-Emption Group released during 2016 and the IA Guidelines, to authorise the Directors to allot an additional quantity of shares (or sell treasury shares) for cash otherwise than to existing shareholders pro rata to their holdings up to an aggregate nominal amount of US\$499,902,604, representing a further five per cent of the Company's issued share capital. The additional authority in Resolution 9 may be used only in connection with the financing (or refinancing) of an acquisition or specified capital investment. In accordance with the Pre-Emption Group's Statement of Principles, the Directors confirm that they intend to use the authority sought in Resolution 9 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue, and will provide shareholders with information regarding the transaction if the authority is used. Other than pursuant to the Company's scrip dividend plan and except for allotments under employee share plans, the Board has no present intention of issuing any further ordinary shares pursuant to the new general authorities in Resolutions 8 and 9. No issue will be made which would effectively change the control of the Company or the nature of its business without the prior approval of shareholders at a general meeting.

If granted, the authorities sought in Resolutions 8 and 9 will be effective until the conclusion of the 2019 Annual General Meeting or the close of business on 30 June 2019, whichever is the earlier.

In addition, the Company is seeking authority under Resolution 12 to allot shares or rights to subscribe for shares in connection with the issue of Contingent Convertible Securities ("CCSs"), and to disapply statutory pre-emption rights in respect of such allotment, in each case up to an amount equivalent to approximately 20 per cent of the Company's issued ordinary share capital. Assuming Resolutions 12 and 13 are passed, the authority sought under Resolutions 7, 8 and 9 would not be utilised for the purpose of the issuance of CCSs.

The Company also confirms that it does not intend to issue more than 7.5 per cent of its issued ordinary share capital (excluding treasury shares) in any rolling three-year period, without prior consultation with shareholders, save as permitted in connection with an acquisition or specified capital investment as described above. However, if passed, Resolutions 12 and 13 would permit this level to be exceeded in connection with the issue of CCSs or the conversion or exchange of CCSs.

Unless otherwise stated, references in these Explanatory Notes to the issued ordinary share capital, and to percentages or fractions of the issued ordinary share capital, are to the issued ordinary share capital of the Company (calculated exclusive of treasury shares) as at 20 February 2018, being the latest practicable date prior to printing this document.

#### 10. Addition of any repurchased shares to general authority to allot shares

Resolution 10 seeks to extend the Directors' authority to allot shares and grant rights to subscribe for or convert any security into shares pursuant to paragraph (a) of Resolution 7 to include the shares repurchased by the Company under the authority sought by Resolution 11. This is permitted by the Hong Kong Listing Rules.

#### 11. Purchase of ordinary shares by the Company

The purpose of the authority to be conferred by this item is to enable the Company to make market purchases of its own shares.

The Directors consider that it is appropriate to seek authority for the Company to make market purchases of up to 10 per cent of its own ordinary shares and the maximum and minimum prices at which they may be bought, exclusive of expenses, are specified in the resolution. It remains the Directors' policy to maintain a robust capital base, a policy which has consistently been one of the Group's strengths. As the Group executes its strategy, the appropriate level of

capital to be held will be continually reviewed. Having this authority will give Directors the flexibility, if they consider it in the interests of the Company and shareholders, to purchase ordinary shares in the market in appropriate circumstances, for example, in the event that the Company is unable to deploy the retained capital to create incremental value for shareholders or to neutralise the dilutive impact of scrip dividends, subject to regulatory approval. The Company may decide to retain any shares it purchases as treasury shares with a view to possible re-issue at a later date, transfer in connection with an employee scheme, or it may cancel the shares.

Shareholders should note that under section 693 of the Act, the Company is only permitted to make market purchases of its ordinary shares on a recognised investment exchange. Of the venues where the Company's ordinary shares are listed, only the London Stock Exchange is currently designated as a recognised investment exchange.

The Act permits the Company to elect to hold in treasury any ordinary shares it may repurchase, rather than automatically cancelling those shares. Approval has been received from the relevant regulatory authorities in Hong Kong to enable the Company to hold repurchased shares in treasury. The conditional waiver granted by the Hong Kong Stock Exchange on 19 December 2005 was granted on the basis of certain agreed modifications to the Hong Kong Listing Rules applicable to the Company. Details of the modifications are available at [www.hsbc.com](http://www.hsbc.com) and the Hong Kong Stock Exchange's HKEX news website at [www.hkexnews.hk](http://www.hkexnews.hk). Copies of the modifications are also available from the Group Company Secretary, HSBC Holdings plc, 8 Canada Square, London E14 5HQ, United Kingdom and the Corporation Secretary and Regional Company Secretary Asia-Pacific, The Hongkong and Shanghai Banking Corporation Limited, 1 Queen's Road Central, Hong Kong SAR.

The Company exercised its authority to make market purchases of its own shares pursuant to the authority granted at last year's Annual General Meeting. Pursuant to the buy-back implemented on 1 August 2017 and completed on 20 November 2017, (the "Second 2017 Buy-back"), the Company repurchased 205,624,077 of its ordinary shares, all of which were cancelled.

Further details regarding the proposed authority to be given to the Company to purchase its own shares, the waiver granted by the Hong Kong Stock Exchange, the Second 2017 Buy-back (including shares purchased and prices paid on a monthly basis up to the latest practicable date prior to printing this document) are set out in Appendix 2.

The total number of options to subscribe for ordinary shares outstanding on 20 February 2018, being the latest practicable date prior to printing of this document, was 63,366,118 which represented 0.32 per cent of the issued ordinary share capital (excluding treasury shares) as at that date. If the Company were to purchase the maximum number of ordinary shares permitted by this resolution, the options outstanding on 20 February 2018 would represent 0.32 per cent of the issued ordinary share capital (excluding treasury shares).

12 and 13. Additional authority to allot equity securities in relation to the issue of Contingent Convertible Securities ("CCSs") and limited disapplication of pre-emption rights

The effect of Resolution 12 is to give the Directors the authority to allot shares and grant rights to subscribe for, or to convert, any security into ordinary shares in the Company up to an aggregate nominal amount of US\$1,999,610,418 equivalent to approximately 20 per cent of the ordinary shares in issue on 20 February 2018, being the latest practicable date prior to printing this document. This authority relates to the issue of CCSs.

CCSs are debt securities which benefit from a specific regulatory capital treatment under European Union legislation. They are treated as Additional Tier 1 Capital and, as a banking group, HSBC is able to hold a certain amount of its Tier 1 Capital in the form of Additional Tier 1 Capital. The CCSs will be converted or exchanged

into ordinary shares if a defined trigger event occurs (which currently is the HSBC Group's Common Equity Tier 1 Capital ratio falling below 7 per cent). Issuing CCSs gives the Company greater flexibility to manage its capital in the most efficient and economic way for the benefit of the shareholders. Please see Appendix 1 for more information on

CCSs.

This authority is in addition to the authority proposed in Resolutions 7, 8 and 9, which contain the general authority sought on an annual basis in line with the IA Guidelines and the Hong Kong Listing Rules. If Resolutions 12 and 13 are passed, the Company will only issue CCSs pursuant to the authority granted under these resolutions and not under the authority granted under Resolutions 7, 8 and 9. Although the authority in Resolutions 12 and 13 is not contemplated by the IA Guidelines, it has previously been discussed with the Investment Association.

The effect of Resolution 13 is to give the Directors' authority to allot CCSs, or shares issued upon conversion or exchange of CCSs, without the need to first offer them to existing shareholders. If passed, Resolution 13 will authorise the Directors to allot shares and grant rights to subscribe for or to convert any security into shares in the Company (or to sell treasury shares held by the Company following any purchase of its own shares) on a non-pre-emptive basis up to an aggregate nominal amount of US\$1,999,610,418, representing approximately 20 per cent of the ordinary shares in issue on 20 February 2018, such authority to be exercised in connection with the issue of CCSs. As at 20 February 2018, being the latest practicable date prior to printing of this document, the Company held 325,273,407 of its ordinary shares in treasury, representing 1.60 per cent of the issued ordinary share capital (including treasury shares) and 1.63 per cent of the issued ordinary share capital (excluding treasury shares).

The authorities in Resolutions 12 and 13 will be utilised as considered desirable to comply with or maintain compliance with the regulatory capital requirements arising in connection with the relevant European Union legislation and the prudential regulatory requirements imposed by the Prudential Regulation Authority ("PRA") and only for those purposes. The Company will not utilise the authority in Resolutions 12 and 13 to issue new securities for any other purposes. However, pursuant to the authority under Resolutions 12 and 13, the Company may issue additional securities in order to manage the redemption of outstanding CCSs.

The approvals would be effective until the Company's 2019 Annual General Meeting or the close of business on 30 June 2019, whichever is the earlier. The Directors expect to seek similar authorities on an annual basis.

#### 14. Renewal of scrip dividend authority

The authority for the Directors to offer a scrip dividend alternative, whereby shareholders may elect to receive new ordinary shares instead of dividends in cash was last renewed at the 2016 Annual General Meeting. Under the IA Guidelines, shareholder approval to renew the authority for the Directors to offer a scrip dividend alternative is required to be sought every three years. While the three-year period approved at the 2016 Annual General Meeting has not yet expired, the Directors are seeking a fresh approval to offer a scrip dividend alternative for a further three years expiring on the conclusion of the Annual General Meeting in 2021. The reason for seeking the approval at this year's Annual General Meeting is to amend the authority to permit the Directors to exercise their power under the new Articles of Association being proposed under Resolution 15, at their discretion, to satisfy elections for scrip dividends not only by the issue of new ordinary shares, credited as fully paid, but also by the sale of treasury shares.

#### 15. Articles of Association

This year, the Directors are seeking shareholder authority to adopt new Articles of Association which update certain aspects of the Company's Articles of Association to take account of developments in market practice since they were last updated in 2010. The principal changes are set out in Appendix 4 on pages 31 to 33.

#### 16. Notice period for meetings

The UK Companies Act 2006 provides that the minimum notice period for general meetings of the Company is 21 days unless shareholders approve a shorter notice period. The passing of this resolution would enable the Company to call general meetings (other than annual general meetings) on a minimum of 14 clear days' notice. This shorter notice period of between 14 and 20 days would not be used as a matter of routine, but only when the Directors determine that calling a meeting on less than 21 days' notice is merited by the business of the meeting and consider it to be to the advantage of shareholders as a whole. The approval would be effective until the Company's 2019 Annual General

Meeting or the close of business on 30 June 2019, whichever is the earlier, when it is intended that a similar resolution will be proposed.

#### Information about the 2018 Annual General Meeting

##### Venue

The AGM will be held at the Queen Elizabeth II Conference Centre (“QEII Centre”) which is located on Broad Sanctuary in Westminster, central London and can easily be reached by public transport. The full address is Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom. A location map is below.

Refreshments will be available prior to the AGM. Take-away lunch bags will be provided in the catering area at the conclusion of the AGM.

##### Access

The QEII Centre is accessible by wheelchair. The auditorium is fitted with an induction loop.

To help us ensure that the AGM is fully accessible to all shareholders, please contact Romana Lewis, Assistant Group Company Secretary (telephone: +44 (0)20 7991 0100, email: [romana.lewis@hsbc.com](mailto:romana.lewis@hsbc.com)) if you have any particular access requirements or other needs.

##### Security

Security checks will be carried out on entry to the AGM. Shareholders are reminded that cameras and recording equipment will not be allowed and all mobile telephones must be switched off or set to silent. Shareholders are encouraged to leave coats and bags in the cloakroom provided.

To ensure optimum security within the auditorium, please note that you will be provided with a wristband once you have been through the security checks at the venue. You must show your wristband to gain entry to the AGM.

##### Attendance and voting

Pursuant to the Uncertificated Securities Regulations 2001 (as amended), changes to entries on the principal register of members of the Company maintained in England (the “Principal Register”) or either the Hong Kong or Bermuda Overseas Branch Registers of the Company (the “Branch Registers”), as appropriate, after 12.01am (London time) on Thursday, 19 April 2018 or 12.01am (London time) on the day immediately before the day of any adjourned meeting (as the case may be) shall be disregarded in determining the rights of a member to attend or vote at the AGM or any adjourned meeting (as the case may be). Accordingly, a member entered on the Principal Register or the Branch Registers at 12.01am (London time) on Thursday, 19 April 2018 or 12.01am (London time) on the day immediately before the day of any adjourned meeting (as the case may be) shall be entitled to attend and vote at the AGM or any adjourned meeting (as the case may be) in respect of the number of such shares entered against the member’s name at that time.

##### Voting

Voting at the AGM will be conducted by way of a poll. This means that each shareholder present or represented will be able to exercise one vote for each share held. In the case of joint registered holders of any share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other

joint holder(s). For this purpose, seniority shall be determined by the order in which the names of the holders stand in the Principal Register or the Branch Registers of the Company, as appropriate.

Voting results will be published on our website following the conclusion of the AGM.

#### Appointing a proxy

You may appoint the chairman of the AGM or a person of your choice to be your proxy to attend, speak and vote on your behalf. A proxy need not be a member of the Company. You may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you require additional forms of proxy, you may photocopy the original form of proxy enclosed or ask our registrar to send you additional forms (see “How to submit your form of proxy” below for the registrar’s address).

A form of proxy is enclosed with this document or may be accessed at [www.hsbc.com/proxy](http://www.hsbc.com/proxy).

Whether or not you propose to attend the AGM, you are requested to complete and submit a form of proxy in accordance with the instructions shown on it. The completion and submission of a form of proxy will not preclude you from attending and voting in person at the AGM.

#### How to submit your form of proxy

The form of proxy must be received by 11.00am (London time) on Wednesday, 18 April 2018, or not less than 48 hours before the time of the holding of any adjourned meeting.

You may submit your form of proxy electronically at [www.hsbc.com/proxy](http://www.hsbc.com/proxy) by entering your Shareholder Reference Number and the Personal Identification Number which is either printed on your form of proxy or which has been sent to you by email if you have registered an email address to receive electronic communications.

Alternatively, you may send your completed form of proxy to:

Computershare Investor Services PLC, PO Box 1064, The Pavilions, Bridgwater Road, Bristol, BS99 6BD, United Kingdom;

Computershare Hong Kong Investor Services Limited, Rooms 1712 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong SAR; or

Investor Relations Team, HSBC Bank Bermuda Limited, 37 Front Street, Hamilton HM 11, Bermuda.

For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system (see section on “CREST” set out below).

In order to be valid, the completed form of proxy (together with any power of attorney or other authority under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board) must be deposited by 11.00am (London time) on Wednesday, 18 April 2018, or not less than 48 hours before the time of the holding of any adjourned meeting, at the offices of the Company’s registrar (see above for the registrar’s address). Any power of attorney or other authority relating to an appointment of a proxy cannot be submitted electronically and must be deposited as referred to above for the appointment to be valid.

Asking questions at the AGM



You have the right to ask questions in relation to the business of the AGM but no answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or good order of the AGM that the question be answered.

If you have any questions relating to the business of the AGM that you would like to be addressed, please send an email to [shareholderquestions@hsbc.com](mailto:shareholderquestions@hsbc.com) including your Shareholder Reference Number and we will endeavour to address the issues raised.

Any questions submitted that are not relevant to the business of the AGM will be forwarded for the attention of a relevant executive or the registrar, as appropriate. These might include matters relating to a shareholder's bank account or affairs which are unlikely to be relevant to the business of the AGM.

Submitting a question in advance of the AGM does not affect your rights as a shareholder to attend and speak at the AGM.

#### Webcast

The AGM will be webcast live at [www.hsbc.com/agmwebcast](http://www.hsbc.com/agmwebcast) and a recording will be available for viewing until Sunday, 20 May 2018.

#### CREST

CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the AGM or any adjourned meeting by following the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11.00am (London time) on Wednesday, 18 April 2018, or not less than 48 hours before the time of the holding of any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointees through other means.

CREST members, and, where applicable, their CREST sponsor or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

Pursuant to Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended) the Company may treat as invalid a CREST Proxy Instruction if the Company has actual notice that:

information in the instruction is incorrect;

the person expressed to have sent the instruction did not in fact send it; or

the person sending the instruction on behalf of the relevant shareholder did not have the authority to do so.

#### Nominated persons

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person who has been nominated to receive communications from the Company in accordance with section 146 of the UK Companies Act 2006 (the "Act") ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy for the AGM. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights at the AGM.

The main point of contact for nominated persons remains the registered shareholder (for example the stockbroker, investment manager, custodian or other person who manages the investment). Any changes or queries relating

to nominated persons' personal details and holdings (including any administration thereof) must continue to be directed to the registered shareholder and not the Company's registrar. The only exception is where the Company, in exercising one of its powers under the Act, writes to nominated persons directly for a response.

#### Corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same share or shares. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment.

#### Members' power to require website publication of audit concerns

Under section 527 of the Act, members meeting the threshold requirements in that section may require the Company to publish on its website a statement setting out any matter that the members propose to raise at the AGM relating to (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on its website.

If you have general queries about your shareholding, please contact the relevant registrar at the address shown on page 25.

## General information

### Company's registrar

For general enquiries, requests for copies of corporate communications, or a Chinese translation of this Notice and any future documents, please contact:

Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom (email via website: [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus));

Computershare Hong Kong Investor Services Limited, Rooms 1712 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR (email: [hsbc.ecom@computershare.com.hk](mailto:hsbc.ecom@computershare.com.hk)); or

Investor Relations Team, HSBC Bank Bermuda Limited, 37 Front Street, Hamilton HM 11, Bermuda (email: [hbbm.shareholder.services@hsbc.bm](mailto:hbbm.shareholder.services@hsbc.bm)).

Holders of American Depositary Shares may obtain copies of this document by calling +1 631 918 4040 or by writing to Proxy Services Corporation (BNY Mellon ADR Team), 2180 5th Avenue – Suite #4, Ronkonkoma, NY 11779, USA.

### Information available on the website

A copy of this Notice, and other information required by section 311A of the UK Companies Act 2006, can be found on the Company's website ([www.hsbc.com/agm](http://www.hsbc.com/agm)).

### Receiving corporate communications

Shareholders may at any time choose to receive corporate communications in printed form or to receive email notification of their availability on HSBC's website. To receive future notifications of the availability of corporate communications on HSBC's website by email, or to revoke or amend an instruction to receive such notifications by email, go to [www.hsbc.com/ecomms](http://www.hsbc.com/ecomms).

If you received a notification of the availability of this document on HSBC's website and for any reason have difficulty in receiving or gaining access to the document, or you would like to receive a printed copy of it, or if you would like to receive future corporate communications in printed form, please write or send an email (quoting your Shareholder Reference Number) to the registrars at the relevant address set out above. Printed copies will be provided without charge.

Further copies of this document and future documents may also be obtained by contacting the registrar. You may amend your election to receive corporate communications in English or Chinese by contacting the registrar at the relevant address set out above.

### Documents available for inspection

Copies of the terms of appointment for the non-executive Directors and the service contracts of the Group Chairman and executive Directors are available for inspection through the Group Company Secretary at the Company's registered office at 8 Canada Square, London E14 5HQ, United Kingdom and at 1 Queen's Road Central, Hong Kong SAR during usual business hours on any business day from the date of this Notice until the date of the AGM and at the place and on the date of the AGM from at least 15 minutes before the AGM begins until the conclusion of the AGM.

#### Information set out in this Notice

Shareholders are advised that any telephone number, website or email address set out in the Notice of AGM, the form of proxy or accompanying documents should not be used for the purposes of serving information on the Company (including the service of documents or information relating to the proceedings at the AGM) unless otherwise stated.

This document, for which the Directors of HSBC Holdings plc collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to HSBC Holdings plc. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

In the event of a conflict between any translation and the English text hereof, the English text will prevail.

#### Directors' interests in the ordinary shares and debentures of HSBC

Details of interests of Directors who are standing for election or re-election in the ordinary shares and debentures of HSBC are set out in Appendix 3.

#### Appendix 1

##### Questions and Answers on Contingent Convertible Securities ("CCSs")

###### What are CCSs?

CCSs are debt securities that benefit from a particular regulatory capital treatment under European Union legislation. CCSs will be converted or exchanged into ordinary shares if a defined trigger event occurs. The terms of HSBC's existing CCSs have received regulatory approval from the Prudential Regulation Authority ("PRA").

As a banking group, HSBC must meet minimum regulatory capital requirements in the countries in which it operates. These include compliance with European Union legislation under which banks and bank holding companies are required to maintain Tier 1 Capital of at least 6 per cent of their risk weighted assets. Of that, 1.5 per cent of risk weighted assets may be in the form of Additional Tier 1 Capital. In addition, HSBC is required to satisfy an additional capital requirement defined by the PRA by maintaining an additional 0.7 per cent of risk weighted assets in the form of Additional Tier 1 Capital.

In order to qualify as Additional Tier 1 Capital, a security must contain certain features designed to increase the resilience of the issuing bank should the bank's financial condition deteriorate materially. The CCSs would qualify as Additional Tier 1 Capital on the basis that, on the occurrence of a defined trigger event, they would be mandatorily converted into or exchanged for ordinary shares of HSBC. The conversion or exchange would have the effect of increasing the issuer's Common Equity Tier 1 capital ratio.

###### What are the trigger events for the CCSs and what will happen if a trigger event occurs?

Should HSBC's Common Equity Tier 1 capital ratio fall below the defined capital trigger (the "Trigger Event"), the CCSs would be converted into or exchanged for new ordinary shares in HSBC on their prescribed terms. The defined capital trigger will be specified in the terms of the CCSs when they are issued. HSBC's existing CCSs contain a Common Equity Tier 1 capital trigger of 7.0 per cent on a Capital Requirements Directive IV ("CRD IV") end point basis which has been approved by the PRA. It is HSBC's current expectation that future CCSs issued by the Group would contain the same capital trigger subject to approval by the PRA.

###### What steps can HSBC take to mitigate a potential Trigger Event?

HSBC is required by its regulators to have in place a recovery plan in case its regulatory capital levels come under pressure. Accordingly, if HSBC's capital ratios were to fall materially and in any event in advance of a Trigger Event, HSBC would seek to commence recovery actions in order to restore the HSBC Group's regulatory capital ratios and reduce the likelihood of a Trigger Event occurring. HSBC's recovery plan includes a number of actions it may take, including reducing distributions, reducing risk weighted assets or selling or liquidating assets.

HSBC's CRD IV end point basis Common Equity Tier 1 capital ratio was 14.5 per cent as at 31 December 2017. HSBC remains a strongly capitalised bank, able to support both organic growth and dividend returns to shareholders. HSBC remains well placed to meet expected future capital requirements, and will continue to take actions to remain in that position, taking into account the evolution of the regulatory environment. Given its current capital position and the planned recovery actions it would take if a Trigger Event was deemed likely to arise, HSBC considers the circumstances in which a Trigger Event might occur in practice to be remote.

The CCSs which HSBC has issued to date have included a term which provides that on the occurrence of a Trigger Event, the Directors may elect, at their discretion, to give shareholders the opportunity to purchase ordinary shares issued on conversion or exchange of any CCSs on a pro rata basis, where practicable and subject to applicable laws and regulations. This would be at the same price as the holders of the CCSs would have acquired the ordinary shares. Where permitted by law and regulation to do so, the Company will continue to issue future CCSs including terms which provide the Company with the discretion to offer the opportunity to shareholders to purchase ordinary shares issued on conversion or exchange of CCSs.

Will CCSs be redeemable?

There is no general right of redemption for the holders of the CCSs. It is expected that HSBC would have the right to redeem the CCSs after a minimum period of five years and in certain other specified circumstances, but any redemption features would need to be approved by the PRA prior to issue and any redemption would be subject to PRA approval at the time of redemption.

Will all CCSs be in the form of Additional Tier 1 Capital?

Yes. The Company has no intention to issue capital securities pursuant to Resolutions 12 and 13 except for securities which constitute Additional Tier 1 Capital under applicable banking regulations.

Why is HSBC seeking authority to issue CCSs?

Issuing CCSs gives HSBC greater flexibility to manage its capital in the most efficient and economical way. It is expected that Additional Tier 1 Capital will be a cheaper form of capital than issuing and maintaining Common Equity Tier 1 capital (e.g. ordinary shares) to satisfy the Tier 1 Capital requirement and (provided the Trigger Event does not occur) is non-dilutive to existing shareholders. This should improve the returns available to existing shareholders whilst maintaining HSBC's capital strength, in line with prevailing banking regulations.

The authorities in Resolutions 12 and 13 are required because the Directors are only permitted to issue up to 10 per cent of the issued ordinary share capital for cash on a non-pre-emptive basis under the general authorisation in Resolutions 7, 8 and 9 and five per cent of that may only be used for the purposes of an acquisition or other capital investment. Given the administrative burden both in cost and time for a company the size of HSBC to obtain these types of authorities, the Directors do not consider it practical or in the interests of shareholders to seek a new authority each time an issue of CCSs is proposed. It is important to have the flexibility to react quickly to market and regulatory demand. Furthermore, in order to obtain PRA approval to the issuance of CCSs, all necessary allotment authorities need to be in place, so the process of seeking a new authority in addition to PRA approval would lead to unacceptable delay.

At what price will the CCSs be issued and how will the conversion price be fixed?

As the CCSs are debt securities, they will be issued at or close to their face value in a manner typical for debt securities. The terms and conditions for the CCSs will specify a fixed conversion price or a mechanism for setting a conversion price (which could include a variable conversion price determined by reference to the prevailing market price on conversion subject to a minimum “floor” price) which will determine how many ordinary shares are issued on conversion or exchange of the CCSs if a Trigger Event occurred. In respect of any CCSs issued (or shares issued on conversion or exchange of CCSs) under the authorities in Resolutions 12 and 13, the conversion price on issue of the CCSs will not be less than £2.70, being the lowest trading price (recorded on 9 March 2009) of HSBC’s ordinary shares over the last 10 years (and will be subject to typical adjustments for securities of this type).

How have you calculated the size of the authorities you are seeking?

The size of the authorities reflected in Resolutions 12 and 13 have been determined to provide flexibility to enable HSBC to optimise its capital structure in light of the regulatory capital requirements arising from the European Union legislation and PRA requirements. The authority sought is based on the Directors’ assessment of the appropriate amount required to enable HSBC to hold the maximum amount of Additional Tier 1 Capital taking into account its expected risk weighted asset figures and applying the conversion price based on historic lows of HSBC’s share price over the last 10 years referred to above. The intention is to give the Directors’ flexibility in managing HSBC’s capital structure. For this reason, the resolutions give the Directors’ authority to set the specific terms of the CCSs after considering market practice and requirements at the time.

Waiver granted by the Hong Kong Stock Exchange

The Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 13.36(1) of the Hong Kong Listing Rules pursuant to which the Company is permitted to seek (and, if approved, to utilise) the authority under Resolutions 12 and 13 to issue CCSs (and to allot ordinary shares into which they may be converted or exchanged) in excess of the limit of the general mandate of 20 per cent of the Company’s issued share capital (the “Mandate”). The waiver has been granted on terms that permit the Mandate, if approved, to continue in force until:

- (i) the conclusion of the first annual general meeting of the Company following the date on which the Mandate is approved (or the close of business on 30 June 2019, whichever is the earlier) at which time the Mandate shall lapse unless it is renewed, either unconditionally or subject to conditions; or
- (ii) such time as it is revoked or varied by ordinary resolution of the shareholders in a general meeting.

## Appendix 2

### Purchase of Ordinary Shares by the Company

Set out below is information concerning the proposed general mandate for the purchase of shares by the Company (Resolution 11), which incorporates the Explanatory Statement required to be sent to shareholders in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”) as well as details of the conditional waiver granted by the Hong Kong Stock Exchange to enable the Company to hold in treasury any shares it may repurchase.

- (a) It is proposed that the Company be given authority to purchase up to 1,999,610,418 ordinary shares of US\$0.50 each (which represent 10 per cent of the ordinary shares in issue on 20 February 2018 being the latest practicable date prior to the printing of this document). Purchases of shares would be at prices not below the nominal value of each ordinary

share, US\$0.50 or the equivalent in the relevant currency in which the purchase is effected, and at not more than 105 per cent of the average of the middle market quotations for the ordinary shares on the London Stock Exchange for the five dealing days before the relevant purchase or 105 per cent of the average of the closing prices of the ordinary shares on the Hong Kong Stock Exchange for the five dealing days before the relevant purchase, whichever is lower.

(b)

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Company to purchase ordinary shares in the market and to give power to the Directors to exercise such authority. The Directors intend that purchases of ordinary shares should only be made if they consider that the purchase would operate for the benefit of the Company and shareholders, taking into account relevant factors and circumstances at that time, for example the effect on earnings per share.

(c)

It is expected that purchases will be funded from the Company's available cash flow or liquid resources and will, in any event, be made out of funds legally available for the purchase in accordance with the Articles of Association of the Company and the applicable laws of England and Wales.

(d)

The Directors would not make purchases in circumstances where to do so would have a material adverse effect on the capital requirements of the Company or the liquidity levels which, in the opinion of the Directors, are from time to time appropriate for the Company. If the power to make purchases were to be carried out in full (equivalent to 10 per cent of the ordinary shares in issue on 20 February 2018 being the latest practicable date prior to the printing of this document) there might be a material adverse impact on the capital or liquidity position of the Company (as compared with the position disclosed in its published audited accounts for the year ended 31 December 2017).

(e)

None of the Directors, nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any close associates (as defined in the Hong Kong Listing Rules) of the Directors, has a present intention, in the event that Resolution 11 is approved by shareholders, to sell any ordinary shares to the Company. No core connected persons (as defined in the Hong Kong Listing Rules) of the Company have notified the Company that they have a present intention to sell shares in the Company to the Company or have undertaken not to sell any of the shares in the Company held by them to the Company, in the event that Resolution 11 is approved.

(f)

Under the provisions of the UK Companies Act 2006 (the "Act") the Company is permitted, following any repurchase of ordinary shares, to retain and hold such shares in treasury. While that Act does not impose a limit on the number of shares that a company can hold in treasury, UK investor protection guidelines and market practice in the United Kingdom is to limit the extent of any share purchase authority to 10 per cent of issued share capital, exclusive of treasury shares. On 19 December 2005, the Hong Kong Stock Exchange granted a conditional waiver to the Company to enable it to hold shares which it may repurchase in treasury (the "2005 Waiver"). The 2005 Waiver is subject to certain conditions, including compliance by the Company with all applicable laws and regulations in the United Kingdom in relation to the holding of shares in treasury. As part of the 2005 Waiver, the Company has agreed with the Hong Kong Stock Exchange a set of modifications to the Hong Kong Listing Rules necessary to enable the Company to hold treasury shares. The modifications also reflect various consequential matters to deal with the fact that the Company may hold treasury shares in the future. A full version of the modifications is available on the Company's website,

www.hsbc.com, and the Hong Kong Stock Exchange's ("HKEX") news website, www.hkexnews.hk. Copies of the modifications are also available from the Group Company Secretary, HSBC Holdings plc, 8 Canada Square, London E14 5HQ, United Kingdom and the Corporation Secretary and Regional Company Secretary Asia-Pacific, The

Hongkong and Shanghai Banking Corporation Limited, 1 Queen's Road Central, Hong Kong SAR. In accordance with the terms of the 2005 Waiver, the Company has confirmed to the HKEX that it will comply with the applicable law and regulation in the United Kingdom in relation to the holding of any shares in treasury and with the conditions of the 2005 Waiver in connection with any shares which it may hold in treasury.

(g)

The Directors have undertaken to the HKEX that, if they exercise any power of the Company to make purchases pursuant to Resolution 11, they will do so in accordance with the Hong Kong Listing Rules (as modified in accordance with the terms of the 2005 Waiver to enable the Company to hold in treasury any shares it may repurchase) and the applicable laws of England and Wales.

(h)

The Directors are not aware of any consequences which would arise under any applicable Takeover Code as a result of any purchases made by the Company pursuant to Resolution 11, if approved.

(i)

The Company repurchased for cancellation 328,223,401 ordinary shares on the London Stock Exchange pursuant to the two separate share buy-backs, which concluded on 12 April 2017 and 20 November 2017 respectively. The table below outlines the number of shares purchased during the second of those buy-back programmes in 2017 on a monthly basis.

Month	Number of shares	Highest price paid per share (£)	Lowest price paid per share (£)	Average price paid per share (£)	Aggregate price paid (£)
August 2017	49,649,445	7.7090	7.3010	7.4789	371,323,631
September 2017	55,482,328	7.5260	7.0530	7.2806	403,943,040
October 2017	53,192,769	7.6880	7.3400	7.4595	396,791,032
November 2017	47,299,535	7.4650	7.2730	7.3513	347,711,753

(j)

The highest and lowest mid-market prices at which ordinary shares or, in the case of the New York Stock Exchange, American Depositary Shares ("ADSs"), have traded on the Hong Kong, London, New York, Paris and Bermuda Stock Exchanges during each of the twelve completed months prior to the latest practicable date before printing of this document were as follows:

Month	Hong Kong		London		New York Stock Exchange (ADSs1)		NYSE Euronext		Paris Bermuda	
	Stock Exchange	Stock Exchange	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
	(HK\$)	(HK\$)	(£)	(£)	(US\$)	(US\$)	(€)	(€)	(BD\$)	(BD\$)
February 2017	62.50	69.00	6.46	7.12	40.30	44.11	7.56	8.35	8.40	8.60
March 2017	62.75	64.35	6.46	6.72	40.50	41.41	7.46	7.76	8.00	8.60
April 2017	62.10	64.40	6.21	6.58	39.73	41.43	7.40	7.72	7.95	8.30
May 2017	64.25	69.00	6.37	6.87	41.28	44.41	7.57	8.06	7.95	8.75
June 2017	67.65	72.80	6.77	7.16	43.31	46.53	7.73	8.14	8.65	8.75



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July 2017	72.65	78.45	7.12	7.57	46.39	50.09	8.08	8.48	8.65	9.75
August 2017	73.75	79.35	7.34	7.70	47.21	50.80	8.00	8.55	9.45	9.90
September 2017	74.15	76.65	7.08	7.50	47.46	49.41	7.86	8.36	9.50	9.90
October 2017	76.00	78.60	7.34	7.63	48.74	50.60	8.27	8.53	9.80	9.90
November 2017	75.10	78.00	7.30	7.45	48.05	49.83	8.18	8.45	9.55	9.85
December 2017	76.10	80.00	7.25	7.69	48.55	51.66	8.23	8.74	9.55	10.30
January 2018	79.95	85.85	7.51	7.96	51.64	55.62	8.54	8.97	10.30	10.80

1 Each ADS represents five ordinary shares.

### Appendix 3

#### Directors' interests in the ordinary shares and debentures of HSBC

According to the register of Directors' interests maintained by HSBC Holdings plc pursuant to section 352 of the Securities and Futures Ordinance of Hong Kong, the Directors who are standing for election or re-election had the following interests, all beneficial unless otherwise stated, in the shares and debentures of HSBC and its associated corporations on the latest practicable date prior to the printing of this document being 20 February 2018.

In this Appendix, all references to "beneficial owner" means a beneficial owner for the purposes of the Securities and Futures Ordinance of Hong Kong.

	Beneficial owner	Child under 18 or spouse	Jointly with another person	Trustee	Total interests
HSBC Holdings plc Ordinary Shares					
Kathleen Casey <sup>1</sup>	9,125	—	—	—	9,125
Laura Cha <sup>2</sup>	10,200	8,000	—	—	18,200
Henri de Castries	17,116	—	—	—	17,116
Lord Evans of Weardale	12,892	—	—	—	12,892
John Flint <sup>3</sup>	533,118	—	—	—	533,118
Irene Lee	10,588	—	—	—	10,588
Iain Mackay <sup>3</sup>	442,118	—	—	—	442,118
Heidi Miller <sup>1</sup>	4,200	—	—	—	4,200
Marc Moses <sup>3</sup>	1,207,068	—	—	—	1,207,068
David Nish	—	50,000	—	—	50,000
Jonathan Symonds	37,936	4,885	—	—	42,821
Jackson Tai <sup>1 4</sup>	12,900	10,350	21,575	—	44,825
Mark Tucker	276,000	—	—	—	276,000
Pauline van der Meer Mohr	15,000	—	—	—	15,000

1

These are interests in listed American Depository Shares ("ADSs"), which are categorised as equity derivatives under Part XV of the Securities and Futures Ordinance of Hong Kong: Kathleen Casey, 1,825; Heidi Miller, 840; and Jackson Tai, 8,965. Each ADS represents five HSBC Holdings Ordinary Shares.

2

HSBC Holdings was advised on 23 January 2018, that Laura Cha's spouse acquired 8,000 shares on 24 August 2015.

3

Executive Directors' other interests in HSBC Holdings ordinary shares arising from the HSBC Holdings savings-related share option plans and the HSBC Share Plan 2011 are set out in the Scheme interests in the Directors' Remuneration Report on page 141 of the Annual Report & Accounts 2017, with the exception of John Flint, who was appointed as an executive Director on 21 February 2018. At 20 February 2018 the aggregate interests under the Securities and Futures Ordinance of Hong Kong in HSBC Holdings ordinary shares, including interests arising through employee share plans and the interests above were: John Flint – 1,156,259; Iain Mackay – 2,140,600; and Marc Moses – 2,920,384. Each Director's total interests represents less than 0.02 per cent of the shares in issue and 0.02 per cent of the shares in issue (excluding treasury shares).

4

Jackson Tai has a non-beneficial interest in 10,350 shares of which he is custodian.

#### Appendix 4

##### Summary of the proposed changes to the Articles of Association – Resolution 15

It is proposed to adopt new Articles of Association (“New Articles”) with effect from the conclusion of the AGM principally to reflect developments in market practice and to reflect certain amendments to the UK Companies Act 2006 (the “Act”). A copy of the proposed New Articles, marked to show all changes proposed, and a copy of the current Articles of Association (“Current Articles”) will be available for inspection on the Company's website ([www.hsbc.com/agm](http://www.hsbc.com/agm)) and at the Company's registered office at 8 Canada Square, London E14 5HQ, United Kingdom from the date of this Notice until the close of the AGM. They will be available for inspection at the registered office during normal business hours, Monday to Friday (excluding public holidays). The documents will also be available for inspection at the Queen Elizabeth II Conference Centre, Broad Sanctuary, London SW1P 3EE, United Kingdom, from 10.30am on the day of the AGM until the conclusion of the AGM. The principal changes to the Current Articles, which are included in the proposed New Articles, are summarised below. As a result of the proposed amendments the numbering of provisions in the New Articles does not always correspond to the Current Articles and references to an Article are references to the proposed New Articles unless otherwise stated:

##### Electronic facility

A new definition of “electronic facility” has been incorporated and is referred to in relevant Articles to reflect the electronic means for participating in, attending and voting at general meetings (Articles 53.2, 54.4, 54.8, 56.1, 58.1, 61.1, 61.2, 62.1, 64.4, 64.5, 66.1, 70.1 and 74.1).

##### Share warrants to bearer

The Small Business, Enterprise and Employment Act 2015 amended the Act to prohibit the creation of bearer shares and required existing bearer shares to be converted into registered shares or cancelled. Since it is now unlawful to issue bearer shares, Article 13 in the Current Articles has been deleted.

##### Uncertificated shares

Article 17.4 permits the Company to assume the completeness and accuracy of entries on any record of securities maintained in accordance with regulations and reconciled with the relevant operator.

##### Transmission of shares

Article 44.1 clarifies that all limitations, restrictions and provisions in the Articles apply to any person entitled to a share in consequence of death or bankruptcy or transmission by operation of law. Article 44.3 provides that a person entitled to a share who has elected for that share to be transferred to another person ceases to be entitled to any rights in relation to the share once the other person is registered as the holder of the share.

#### Destruction of documents

In line with market practice, Article 46 incorporates additional categories of documents that may be destroyed, which includes the following: (i) all paid dividends, warrants and cheques after one year from the date of payment; (ii) all proxy appointments used for the purposes of a poll can be destroyed after one year from the date of use; and (iii) all proxy appointments not used for the purposes of a poll can be destroyed after one month from the date of the end of the meeting to which the proxy appointment relates and no poll was demanded.

#### General meetings

Amendments are proposed to allow for meetings to be held electronically as well as physically, in accordance with the Companies (Shareholders' Rights) Regulations 2009 and the Act and to clarify the circumstances in which satellite meetings can be held in addition to meetings at a principal meeting place. The changes will allow for meetings to be held and conducted in such a way that persons who are not present together at the same place may attend, speak and vote at the meeting by electronic means or at a different satellite meeting location. This will allow the Board greater flexibility to align with technological advances and changes in investor sentiment and market practice. In line with the views expressed by the Investment Association and Institutional Shareholder' Services, the changes will not permit meetings to be held solely by electronic means. A physical meeting will still be required.

The New Articles also contain consequential changes to allow for physical, satellite and electronic participation in meetings so that the Company can continue to operate and comply with its legal and regulatory obligations (Articles 53.2, 54.3 to 54.5, 54.7, 54.8, 56.1, 58.1, 61, 62, 64, 65, 66.1, 70.1 and 74).

#### Special business

To reflect that there is no longer a requirement to distinguish between ordinary and special business at a general meeting, Article 58 in the Current Articles has been deleted.

#### Voting

Article 66.1 is amended to provide that where a resolution is voted on at a general meeting where shareholders are participating electronically as well as at a physical meeting such a vote will be decided on a poll.

#### Validity of meeting

Article 74 clarifies that any person attending or participating electronically in a general meeting will be responsible for maintaining adequate facilities to enable them to do so.

#### Form of proxy

Article 77.2 incorporates changes to permit a proxy instruction from a holder of shares in an uncertificated form to be appointed by electronic communication in the form of an uncertificated proxy instruction. Articles 77.3 and 77.4 provide for the Board to determine how and when such instruction is received and validated.

#### Untraced shareholders

Articles 85 and 86 amend the provisions of the Current Articles relating to shareholders who are considered to be untraced after a period of 12 years. Under the Current Articles, the Company may sell the shares of shareholders who have been untraced for a period of 12 years or more and can use the proceeds of that sale for the purposes of its business. The former shareholder remains a creditor of the Company, so they may subsequently claim the proceeds at any time. Article 86 treats the proceeds of sale as forfeited by the former shareholder following the sale of the shares and the former shareholder will have no further rights to claim the proceeds. The Company may use the money for such good causes as the Board thinks fit.

The New Articles also contain related changes in respect of unclaimed dividends or other money payable on shares of untraced shareholders which are sold.

#### Retirement of Directors

In line with the recommendations in the UK Corporate Governance Code and to reflect the Company's established practice, the New Articles incorporate amendments to provide for automatic retirement of all of the Company's Directors at each annual general meeting and that they will be subject to annual re-election by shareholders (Articles 94 and 95). The requirement for retirement by rotation has been deleted. The New Articles also contain:

(i) necessary related changes (to allow additional appointments or automatic re-election (Article 95)) so that the Company can continue to operate, and comply with its legal and regulatory obligations in the event that not enough Directors are able to act because the resolutions for re-election put to the annual general meeting have not been passed (Article 96); and (ii) minor consequential changes for drafting, numbering and cross-referencing (Articles 94, 95 and 96).

#### Vacation of office by Director

To reflect a provision in the Mental Health (Discrimination) Act 2013, Article 100.1(d) in the Current Articles has been removed from Article 98.1.

#### Proceedings of Directors and Committees – Quorum

Article 123.1 has been amended to clarify that if a Director ceases to be a Director during a meeting of the Board that person may continue to be present and to act as a Director and be counted in the quorum until the end of the meeting provided that no other Director objects and if otherwise a quorum would not be present.

#### Proceedings of Directors and Committees – Voting

Article 125.1 incorporates amended wording to clarify that the Chairman will not have a second or casting vote, in the case of an equality of votes by the Board, if the Chairman is not entitled to vote on the resolution in question, for example due to a conflict of interest.

#### Application of seal

Article 142 is amended to reflect the change that a laser seal can be adopted for the purposes of share certificates. The Company can move away from the process of applying an embossed seal to every share certificate produced.

#### Interim dividends

Article 147, which relates to interim dividends, has been updated in connection with the proposal to permit treasury shares to be used to satisfy scrip dividends and the related changes to Article 155. In order to permit treasury shares to be used to satisfy elections for a scrip dividend, the dividend needs to represent a debt of the Company before the dividend is paid. In the ordinary course, an interim dividend does not represent a debt of the Company until it is paid. The changes to Article 147 permit the Company to resolve that an interim dividend represents a debt at a time to be specified by the Board. The consideration for the sale of the treasury shares will be the release of the Company's liability to pay the dividend.

#### Distribution in specie

Article 150.1 has been amended to require the Board to have the authority of an ordinary resolution of the Company to enable it to make payment of any dividend declared either wholly or partly by a distribution of assets of any kind, or of paid up shares, securities or debentures of the Company.

#### Payment of dividends

Article 152 incorporates amendments to update the provisions of the Current Articles that relate to the way dividends are paid. The Institute of Chartered Secretaries and Administrators Registrars Group issued guidance in 2014 that included recommended wording for articles of association to allow sufficient flexibility for electronic payment (or other similar means) of dividends. Article 152 allows the payment of dividends by different methods (including by cheque, bank transfer, electronic and other means). Additionally, it permits the Board to decide which payment method is to be used on any particular occasion.

#### Payment of scrip dividends

Article 155 incorporates amendments to permit use of treasury shares for the payment of scrip dividends in addition to new shares and to make changes to bring Article 155 in line with market practice.

#### Strategic report and supplementary materials

Changes to the Act mean that the Company is no longer required to prepare a summary financial statement. Instead, if a shareholder agrees not to receive the full annual report and accounts, the Company may provide a copy of the strategic report together with certain supplementary materials. Article 162.1 reflects the updated provisions in the Act. However, shareholders can always view the full annual report and accounts on the Company's website or request a hard copy from the Company's registrar.

#### General

As it is proposed to adopt the New Articles in order to effect the changes noted above, the opportunity has been taken to generally include clarificatory amendments in other parts of the New Articles to update them in line with common market practice. By way of example, ensuring terminology is gender balanced by replacing "he" with "he or she" and "him" with "him or her". Other such minor, technical and clarifying changes have not been noted.

#### Photography

Directors and Group Company Secretary by Charles Best, except John Flint by Global Communications, HSBC Holdings plc

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#### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: Ben J S Mathews

Title: Group Company Secretary

Date: 7 March 2018