

HANG SENG BANK LIMITED

BOARD DIVERSITY POLICY (the “Policy”)

1 Vision

- 1.1 Building a diverse and inclusive culture is integral to the success of the Bank. Ethnicity, age and gender diversity, underpinned by meritocracy, are areas of strategic focus for the employee base and the composition of our Board.
- 1.2 In line with our Purpose and Values, we value difference and believe that a diverse and inclusive Board, reflective of the communities we serve, is a critical component of effective decision-making and of developing a sustainable and successful business for the Bank. The Board considers that its diversity, including gender diversity, is a vital asset to the business.

2 Board appointment and succession planning

- 2.1 The responsibilities of The Nomination Committee, in relation to the implementation of this Policy, are outlined in its Terms of Reference and include, leading the process for Board appointments and identifying and nominating, for approval by the Board, candidates for appointment to the Board. The benefits of diversity continue to influence succession planning.

3 Objectives

- 3.1 The objective of this Policy is to ensure that diversity and inclusion are given serious consideration in the succession planning, selection, nomination, operation and evaluation of the Bank’s Board.
- 3.2 Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. These include but are not limited to, characteristics such as gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, length of service, and any other factors that the Board may consider relevant and applicable from time to time.
- 3.3 The Bank remains committed to meritocracy in the Boardroom, which requires a diverse and inclusive culture where Directors are confident that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination, and harassment on any matter is not tolerated.

- 3.4 Selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and with consideration to the contribution the chosen candidate will bring to the Board. The Board will make reference to international and local recommended best practices in such regard. ^{Note (a)}

4 Aspirational Target

- 4.1 The Board's target is to maintain a minimum of 40% female representation on the Board of Directors. ^{Note (b)}

5 Monitoring

- 5.1 The Board's composition will be reviewed at least once a year.

6 Disclosure

- 6.1 The Policy will be published on the Bank's website. A summary of the Policy, together with any measurable objectives / specific diversity targets set for implementing the Policy and the progress made towards achieving those objectives / targets, will be disclosed in the Corporate Governance Report contained in the Bank's annual report.

November 2023

Notes :

- (a) According to the Rule 13.92 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules), diversity is not considered to be achieved for a single gender board. Issuers should appoint a director of a different gender who genuinely possesses the necessary skills, experience and caliber appropriate to the issuer's business.
- (b) It is stated in the Board Diversity Policy of HSBC Holdings plc that "The Board of HSBC Holdings plc supports the recommendations set out in the Hampton-Alexander and Parker Reviews and the Board's aspirational targets to achieve a minimum of 40% female representation on the Board of Directors by the end of 2023."