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HSBC Holdings plc

Rights Issue Guide

For shareholders issued with Provisional Allotment Letters

In connection with a rights issue (the “Rights Issue”) by HSBC Holdings plc (“HSBC Holdings” or the “Company”), you have been allotted a number of “Rights” to acquire ordinary shares of US\$0.50 each in the Company (“Ordinary Shares”). Accompanying this Guide, you will find a Provisional Allotment Letter (“PAL”) which sets out the number of Ordinary Shares you held on 13 March 2009 and the number of Rights that have been allotted to you. These Rights represent the number of new Ordinary Shares in the Company (“New Ordinary Shares”) you are entitled to acquire in connection with the Rights Issue.

In this Guide, a “HK Shareholder” means a shareholder whose Ordinary Shares are registered on the Company’s Hong Kong branch register, a “Bermuda Shareholder” means a shareholder whose Ordinary Shares are registered on the Company’s Bermuda branch register and a “UK or Other Shareholder” means a shareholder whose Ordinary Shares are registered on the Company’s principal register in the UK.

This document is not a prospectus but an advertisement and investors should neither accept any offer for, nor acquire, any securities referred to in this document except on the basis of the information contained in the prospectus published by the Company relating to the Rights Issue (the “Prospectus”) and the PAL. This document does not constitute an offer or invitation to sell or the solicitation of, or an invitation to induce, an offer to buy or subscribe for, any securities and cannot be relied upon for any investment contract or decision. **The Prospectus is available by following the instructions on the Company’s website at www.hsbc.com/prospectus and printed copies can also be obtained from the Company’s share registrar in the UK, Computershare Investor Services PLC, the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited or the Company’s share registrar in Bermuda, Corporate Shareholders Services, The Bank of Bermuda Limited.** This document does not constitute or contain a recommendation regarding the securities of HSBC Holdings.

THIS GUIDE AND THE ACCOMPANYING PROVISIONAL ALLOTMENT LETTER ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

This Guide is not an extract from, or a summary or abridged version of, the Prospectus or the PAL and should not be regarded as a substitute for reading the Prospectus and PAL. You should read the Prospectus for detailed information about the Rights Issue before deciding whether or not to invest in the nil paid rights, fully paid rights or New Ordinary Shares.

New Ordinary Shares can be acquired at 254 pence each. In order to make it easier for HK Shareholders and Bermuda Shareholders to take up their Rights, the Company has provided for acquisitions by HK Shareholders to be made, instead, at HK\$28.00 per New Ordinary Share and for acquisitions by Bermuda Shareholders to be made, instead, at US\$3.61 per New Ordinary Share.

You have a number of options available to you which have different deadlines for when your completed PAL must be received by Computershare Investor Services PLC in the UK (for UK or Other Shareholders), Computershare Hong Kong Investor Services Limited in Hong Kong (for HK Shareholders) or Corporate Shareholders Services, The Bank of Bermuda Limited in Bermuda (for Bermuda Shareholders), respectively. The earliest deadline is 26 March 2009. The latest deadline is 3 April 2009. To help you complete your PAL, please read this Guide in full. No application to take up your Rights or the New Ordinary Shares provisionally allotted to you should be made, nor will any such application be accepted, unless you have validly completed and submitted your PAL in accordance with the instructions in this Guide and your PAL.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the UK or, if you are not, from another appropriately authorised independent financial adviser.

If after reading this Guide and the enclosed PAL you have any further questions, please call one of our Shareholder Helplines on the numbers set out below. The UK helpline is available from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday. The Hong Kong helpline is available from 9.00 a.m. to 6.00 p.m. (Hong Kong time) Monday to Friday. The Bermuda helpline is available from 9.00 a.m. to 5.00 p.m. (Bermuda time) Monday to Friday. All three helplines will remain open until 28 April 2009. The helplines will be closed on local public holidays.

Shareholder Helpline telephone numbers:

For UK or Other Shareholders: 0870 702 0137 (from within the UK) or +44 870 702 0137 (from outside the UK)

For HK Shareholders: 2862 8699 (from within Hong Kong) or +852 2862 8699 (from outside Hong Kong)

For Bermuda Shareholders: 299 6737 (from within Bermuda) or +1 441 299 6737 (from outside Bermuda)

For legal reasons, the Shareholder Helplines will be unable to give advice on the merits of the Rights Issue or to provide financial, legal, tax or investment advice.

If you sell or transfer or have sold or otherwise transferred all of your existing Ordinary Shares (other than “ex-rights”) before 11 March 2009 in the case of Ordinary Shares held on the Bermuda branch register (the “Bermuda Ex-Rights Date”), before 12 March 2009 in the case of Ordinary Shares held on the Hong Kong branch register (the “Hong Kong Ex-Rights Date”) or before 20 March 2009 in the case of Ordinary Shares held on the UK principal register (the “UK Ex-Rights Date”), please forward this Guide, together with the accompanying PAL, as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected. However, these documents should not be distributed, forwarded or transmitted in or into any jurisdiction in which such act might constitute a violation of the relevant laws of such jurisdiction, including, but not limited to (subject to certain exceptions) Canada, Indonesia, Japan, Mexico, the Kingdom of Saudi Arabia, South Korea, Switzerland, Turkey or the United Arab Emirates or, in the case of this Guide, the United States. If you sell or transfer or have sold or transferred only part of your holding of existing Ordinary Shares (other than “ex-rights”) before the Bermuda Ex-Rights Date, HK Ex-Rights Date or UK Ex-Rights Date (as the case may be), you should refer to the instructions regarding splitting your PAL.

Shareholders may at any time choose to receive corporate communications in printed form or to receive a notification of their availability on the Company’s website. To receive future notifications of a corporate communication’s availability on the Company’s website by email, or revoke or amend an instruction to receive such notifications by email, go to www.hsbc.com/ecomms. If you would like to receive a printed copy of the Prospectus or would like to receive future corporate communications in printed form, please write to or email (quoting your Shareholder Reference Number which appears on page 1 of your PAL) the appropriate registrars at the address given below. Printed copies will be provided without charge.

Further copies of the Prospectus or this Guide and Chinese translations of them and future documents may be obtained from the registrars: Computershare Investor Services PLC, PO Box 1064, The Pavilions, Bridgwater Road, Bristol, BS99 3FA, United Kingdom (web.queries@computershare.co.uk); Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong SAR (hsbc.ecom@computershare.com.hk); or Corporate Shareholder Services, The Bank of Bermuda Limited, 6 Front Street, Hamilton HM 11, Bermuda (bob.bda.shareholder.services@bob.hsbc.com).

股東可隨時選擇收取公司通訊的印刷本，或收取有關公司通訊已上載於滙豐網站的電郵通知。倘閣下希望日後收取上述電郵通知，或擬撤銷或修改收取該等電郵通知的指示，請登入 www.hsbc.com/ecomms。倘閣下希望收到章程的印刷本，或希望日後收取公司通訊的印刷本，請按下文所示的地址致函或電郵（註明暫定配額通知書第1頁所示閣下的股東參考編號）有關股份登記處，免費索取有關印刷本。

如需索取章程或本指引及日後本公司文件的印刷本及中文譯本，可聯絡有關股份登記處：Computershare Investor Services PLC，地址為 PO Box 1064, The Pavilions, Bridgwater Road, Bristol, BS99 3FA, United Kingdom (web.queries@computershare.co.uk)；或香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心17樓1712-1716室 (hsbc.ecom@computershare.com.hk)；或 Corporate Shareholder Services, The Bank of Bermuda Limited，地址為 6 Front Street, Hamilton HM 11, Bermuda (bob.bda.shareholder.services@bob.hsbc.com)。

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Part A

Introduction

What is happening?

HSBC Holdings is raising approximately £12.5 billion (US\$17.7 billion) of new capital (net of expenses) through what is called a “rights issue”.

What is enclosed with this Guide?

- A Provisional Allotment Letter (“PAL”). This is the form you must send or return to the relevant share registrar if you want to take up some or all of your Rights to acquire New Ordinary Shares or otherwise deal with your Rights.
- A reply-paid envelope to return your PAL.

Rights Issue Prospectus

The prospectus in relation to the Rights Issue (the “Prospectus”) is available by following the instructions on the Company’s website at: www.hsbc.com/prospectus. Copies of the Prospectus can also be obtained from the Company’s share registrar in the UK, Computershare Investor Services PLC (telephone 0870 702 0137 from within the UK or +44 870 702 0137 from outside the UK or email: web.queries@computershare.co.uk), the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (telephone 2862 8699 from within Hong Kong or +852 2862 8699 from outside Hong Kong or email: hsbc.ecom@computershare.com.hk) or the Company’s share registrar in Bermuda, Corporate Shareholder Services, The Bank of Bermuda Limited (telephone 299 6737 from within Bermuda or +1 441 299 6737 from outside Bermuda or email: bob.bda.shareholder.services@bob.hsbc.com).

What should I do now?

Please read the Prospectus which has been made available to you on the Company’s website (or, in the case of certain HK Shareholders, which accompanies this Guide) and the PAL which was sent with this Guide. Use this Guide to help you understand your options under the Rights Issue and how to complete your PAL. Part B of this Guide sets out various questions and answers in relation to the Rights Issue.

Your options

UK or Other Shareholders		HK Shareholders		Bermuda Shareholders	
Option 1:	Take up all your Rights	Option 1:	Take up all your Rights	Option 1:	Take up all your Rights
Option 2:	Cashless Take Up	Option 2:	Sell all your Rights (in the market)	Option 2:	Take up some of your Rights
Option 3:	Sell all your Rights (using the Computershare Dealing Facility)	Option 3:	Take up some of your Rights	Option 3:	Transfer all your Rights
Option 4:	Take up some of your Rights	Option 4:	Other actions (transfer/split)	Option 4:	Other actions (split)
Option 5:	Other actions (split/renounce/deposit in CREST)	Option 5:	Do nothing (let your Rights lapse)	Option 5:	Do nothing (let your Rights lapse)
Option 6:	Do nothing (let your Rights lapse)				

UK or Other Shareholders should refer to **Part C** of this Guide for assistance with completing their PALs.

HK Shareholders should refer to **Part D** of this Guide for assistance with completing their PALs.

Bermuda Shareholders should refer to **Part E** of this Guide for assistance with completing their PALs.

IF YOU DO NOT WISH TO TAKE UP ANY OF YOUR RIGHTS YOU NEED TAKE NO ACTION.

Part B

Questions and answers

- 1 What is a rights issue?** A rights issue is a way for companies to raise additional money. Companies do this by giving their existing shareholders a right to acquire further shares in proportion to their existing shareholdings. HSBC Holdings is raising approximately £12.5 billion (US\$17.7 billion) of new capital (net of expenses) through the Rights Issue.
- 2 Why is HSBC Holdings undertaking the Rights Issue?** A full description of the background to and reasons for the Rights Issue is set out in the Prospectus. The Prospectus is available by following the instructions on the Company's website at www.hsbc.com/prospectus. Recent announcements made by the Company are available on the same website. A copy of the Prospectus has also been sent with this Guide to all HK Shareholders who have requested printed documents from the Company.
- Printed copies are also available on request from Computershare Investor Services PLC in the UK, Computershare Hong Kong Investor Services Limited in Hong Kong or from Corporate Shareholder Services, The Bank of Bermuda Limited in Bermuda.
- 3 What is being offered?** Qualifying Shareholders (see Question 4 below) are being offered the opportunity to acquire 5 New Ordinary Shares for every 12 Ordinary Shares that they held on 13 March 2009 (the "Record Date") at a price of 254 pence per New Ordinary Share for UK or Other Shareholders, HK\$28.00 per New Ordinary Share for HK Shareholders and US\$3.61 per New Ordinary Share for Bermuda Shareholders.
- The New Ordinary Shares are being offered to Qualifying Shareholders at a discount to the share price on 27 February 2009, the last business day before the announcement of the Rights Issue on 2 March 2009.
- The issue price for UK or Other Shareholders of 254 pence per New Ordinary Share represents a discount of approximately 47.5 per cent to the closing middle-market quotation as derived from the London Stock Exchange's Daily Official List of 484.21 pence per Ordinary Share on 27 February 2009, the last business day before the announcement of the Rights Issue and a discount of approximately 39.0 per cent to the theoretical ex-rights price based on that closing price, in each case adjusted for the fact that the New Ordinary Shares will not rank for the fourth interim dividend in respect of the financial year ended 31 December 2008 of US\$0.10 per Ordinary Share. Because of this discount and while the market value of the existing Ordinary Shares of the Company exceeds the issue price, the right to acquire the New Ordinary Shares is potentially valuable.
- The issue price for HK Shareholders of HK\$28.00 per New Ordinary Share, was calculated using the £ : HK\$ exchange rate of £1 : HK\$11.0236 at approximately 3.00 p.m. (UK time) on 27 February 2009, being the last business day before the announcement of the Rights Issue (as published by Bloomberg) and the issue price for Bermuda Shareholders of US\$3.61 per New Ordinary Share was calculated using the £ : US\$ exchange rate of £1 : US\$1.42145 at approximately 3.00 p.m. (UK time) on that date (as published by Bloomberg).

4 Am I a Qualifying Shareholder?

If your name is on the enclosed PAL, unless you sold all of your Ordinary Shares (other than ex-rights) shown in Box A on page 1 of your PAL prior to the UK Ex-Rights Date, Hong Kong Ex-Rights Date or Bermuda Ex-Rights Date (as the case may be), you are a Qualifying Shareholder and are entitled to acquire New Ordinary Shares. You have been sent a PAL because, as at the Record Date, you were a shareholder in HSBC Holdings.

Shareholders resident outside the United Kingdom, Hong Kong or Bermuda are responsible for complying with any applicable legal requirements in their own jurisdictions in relation to the Rights Issue.

5 How many New Ordinary Shares am I entitled to acquire?

The number of New Ordinary Shares that you are entitled to acquire is shown in Box B on page 1 of your PAL. That number was determined by dividing the number of Ordinary Shares you held on the Record Date by 2.4 (on the basis of 5 New Ordinary Shares for every 12 Ordinary Shares held by you on that date), then rounding down to the nearest whole number.

For example, if you held 500 Ordinary Shares on the Record Date you would be entitled to acquire 208 New Ordinary Shares at 254 pence each (or HK\$28.00 each or US\$3.61 each, as the case may be). This would cost a total of £528.32 (or HK\$5,824.00 or US\$750.88). The amount you need to pay if you want to take up your right to acquire all the New Ordinary Shares provisionally allotted to you is shown in Box C on page 1 of your PAL.

Fractions of Rights have not been allotted to Qualifying Shareholders, but will be aggregated and, if possible, sold to the market with the net proceeds accruing to the Company.

6 What currency and form of payment can I use to take up my Rights?

Full instructions on how payments are to be made are set out in your PAL and are summarised in Part C (UK or Other Shareholders), Part D (HK Shareholders) or Part E (Bermuda Shareholders) of this Guide.

- Payments by UK or Other Shareholders (wherever resident) to take up Rights must be made in pounds sterling. Cheques or banker's drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of those companies. Third party cheques will not be accepted (subject to limited exceptions).
- UK or Other Shareholders may also take up Rights by means of Cashless Take Up.
- Payments by HK Shareholders to take up Rights must be made in Hong Kong dollars. Cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong.
- Payments by Bermuda Shareholders to take up Rights must be made in United States dollars. Cheques or local banker's drafts must be drawn on a licensed bank in Bermuda. Third party cheques will not be accepted.
- Payments in cash or by electronic transfer will not be accepted.

- 7 What are “Rights”?** Each “Right” allotted to you is a right to acquire a New Ordinary Share under the Rights Issue. The total number of Rights which you have been allotted is shown in Box B on page 1 of your PAL. If you have been allotted 10 Rights, you are entitled to acquire 10 New Ordinary Shares. A Right in respect of which no payment has been made is a “Nil Paid Right” and a Right in respect of which payment in full has been made is a “Fully Paid Right”.
- 8 What does “take up” mean?** To “take up” means to exercise a Right to acquire a New Ordinary Share at 254 pence, HK\$28.00 or US\$3.61 (as applicable) per New Ordinary Share under the Rights Issue.
- 9 What does “lapse” mean?** To “lapse” means to expire. If you do not return a properly completed PAL by the deadline on 3 April 2009, your Rights will lapse, or expire, and you will no longer be entitled to take up, sell or otherwise deal with your Rights. The New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque (provided that the amount exceeds £5.00). There is no guarantee that it will be possible to find other people to acquire the New Ordinary Shares which your Rights entitled you to acquire at a price that would result in any payment to you.
- 10 What does dealing in “Nil Paid Rights” mean?** If you do not want to acquire the New Ordinary Shares being offered to you under the Rights Issue, you can instead sell or transfer your Rights to those New Ordinary Shares (called “Nil Paid Rights”) and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing “nil paid”.
- 11 Will I have to pay any charges under any of the options?** There will be no charge for taking up your Rights. If you sell some or all of your Rights you may be charged a fee by whoever arranges the sale for you. If you take your PAL to a broker and have the broker arrange the sale, that broker may charge you a fee, in accordance with whatever terms you agree with the broker.
- If you are a UK or Other Shareholder, you may instruct Computershare Investor Services PLC to sell some of your Rights and use the proceeds to take up the remainder, referred to as “Cashless Take Up” (Option 2), or to sell all of your Rights (Option 3) by ticking the relevant box on page 1 of your PAL. Computershare Investor Services PLC will charge you a £5.00 fee for either of these services. You will only be charged if the trade can be completed within the relevant time frame.
- 12 If I decide to sell my Rights, how much money will I receive?** The price you receive for your Rights will depend on the market price for Rights at the relevant time. Please be aware that the market price for Rights is different from the issue price of the New Ordinary Shares under the Rights Issue. The market price for Rights reflects the value the market places on the Rights. For example:
- If the market price of Ordinary Shares is 350 pence, the value of each Right may theoretically be somewhere in the region of 96 pence, reflecting the difference between the issue price of a New Ordinary Share (of 254 pence) and the market price of an Ordinary Share.

- If the market price of an Ordinary Share is less than 254 pence, the Rights are unlikely to have any value and you may not be able to find a buyer for them.

It is possible that you will receive little or no proceeds from the sale of some or all of your Rights, whether you sell them through Computershare Investor Services PLC (for UK and Other Shareholders only) or through a broker. It is also possible that, depending on market conditions, Computershare Investor Services PLC or a broker will not be able to sell your Rights. If your Rights are not sold, they will lapse on 3 April 2009. If possible, the New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque (provided that the amount exceeds £5.00). There is no guarantee that it will be possible to find other people to acquire the New Ordinary Shares which your Rights entitled you to acquire at a price that would result in any payment to you.

If you are a UK or Other Shareholder and you instruct Computershare Investor Services PLC to sell your Rights on your behalf, Computershare Investor Services PLC may combine your Rights with the Rights of other shareholders and sell them all together. This may result in a more or less favourable price than if your Rights had been sold separately.

You may receive a different amount by selling through Computershare Investor Services PLC than selling through a broker.

If you sell your Rights through your broker, your broker will pay the proceeds to you (net of expenses) in accordance with the terms you agree with your broker.

13 If I decide to sell my Rights, when will I receive the proceeds?

If you are a UK or Other Shareholder and you instruct Computershare Investor Services PLC under Option 3 to sell all your Rights, Computershare Investor Services PLC will (if it is able to sell your Rights) send you a cheque for the proceeds (less Computershare Investor Services PLC's £5.00 charge) on or around 14 April 2009. If Computershare Investor Services PLC cannot sell your Rights then your Rights will lapse. Please note the deadline for instructing Computershare Investor Services PLC in this regard (3.00 p.m. (UK time on 27 March 2009)) and see Question 23 below.

If you sell your Rights through your broker, your broker will pay the proceeds to you (net of expenses) in accordance with the terms you agree with your broker.

If your Rights lapse, the New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque (provided that the amount exceeds £5.00). There is no guarantee that it will be possible to find other people to acquire the New Ordinary Shares which your Rights entitled you to acquire at a price that would result in any payment to you.

- 14 Can I transfer my Rights?**
- The Rights can be traded on the London and Hong Kong stock exchanges. The transfer of Rights into a jurisdiction other than the United Kingdom, Hong Kong or Bermuda may be restricted by law. Unless you are a shareholder resident in the People's Republic of China (excluding Hong Kong SAR and Macau SAR) (the "PRC"), South Africa or Taiwan, you are able to transfer your Rights. Due to certain restrictions under applicable local securities laws, it is a term of the Rights Issue that, if you are a shareholder resident in the PRC, South Africa or Taiwan, although you can take up your Rights, you are restricted from transferring your Rights to any other person and your PAL has therefore been stamped "Non-renounceable".
- 15 What should I do if I think my shareholding stated in Box A on my PAL is incorrect?**
- If you have bought or sold Ordinary Shares shortly before 13 March 2009, your transaction might not have been entered on the Company's register of members in time to appear on the register at the Record Date. If you are concerned that your holding of Ordinary Shares shown in Box A on page 1 of your PAL may be incorrect, please call the relevant Shareholder Helpline.
- Please be aware that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in the Prospectus and information relating to the Company's register of members and will not be able to give advice on the merits of the Rights Issue or to provide financial, legal, tax or investment advice.
- 16 Are there any tax implications I need to consider?**
- If you have any questions on the tax implications of taking up or dealing with your Rights, you should contact a duly authorised independent financial/taxation adviser. HSBC Holdings cannot provide any tax or other investment advice in relation to the Rights Issue.
- 17 When will I receive my New Ordinary Shares?**
- If you are a UK or Other Shareholder and you take up some or all of your Rights (under Options 1, 2 or 4), share certificates representing your New Ordinary Shares are expected to be despatched by 14 April 2009.
- If you are a HK Shareholder and you take up some or all of your Rights (under Options 1 or 3), share certificates representing your New Ordinary Shares are expected to be despatched by 8 April 2009.
- If you are a Bermuda Shareholder and you take up some or all of your Rights (under Options 1 or 2), your share account will be credited with your New Ordinary Shares by 6 April 2009.
- 18 Will I be better off selling my Rights or letting them lapse?**
- This is your own investment decision. The amount (if any) you will receive if you sell your Rights yourself or allow them to lapse will depend on the market price at the relevant time. None of HSBC Holdings, Computershare Investor Services PLC, Computershare Hong Kong Investor Services Limited or Corporate Shareholder Services, The Bank of Bermuda Limited can advise you in relation to the Rights Issue. Please contact your broker or other duly authorised independent financial adviser if you would like advice on how to deal with your Rights.

- 19** Will I be entitled to the 2008 fourth interim dividend in respect of my New Ordinary Shares?
- No. Because the record date for the fourth interim dividend for the financial year ended 31 December 2008 of US\$0.10 per Ordinary Share announced by HSBC Holdings on 2 March 2009 is 20 March 2009, which is before the date of issue of the New Ordinary Shares on 6 April 2009, holders of New Ordinary Shares will not be entitled to receive this dividend in respect of those shares.
- 20** Will the Rights Issue affect the future dividends HSBC Holdings pays?
- The Company's board of directors intends to continue to pay quarterly interim dividends on the Ordinary Shares, with a pattern of three equal interim dividends and a variable fourth interim dividend. The level of dividends per Ordinary Share in future while reflecting the long-term growth of HSBC Holdings' business will depend upon, among other things, expected future earnings, prevailing business conditions and capital requirements. It is envisaged that the first interim dividend in respect of 2009 will be US\$0.08 per Ordinary Share. The board has rebased the envisaged dividend per Ordinary Share for the first three interim dividends in respect of 2009 to reflect the impact of the foregoing factors and the impact of the enlarged ordinary share capital resulting from the Rights Issue.
- 21** What do I need to do next?
- Once you have decided what you want to do with your Rights (ie which option you wish to take), you should refer to Part C (for UK or Other Shareholders), Part D (for HK Shareholders) or Part E (for Bermuda Shareholders) for help completing your PAL. You can also telephone the relevant Shareholder Helpline on the relevant number set out on page 2 of this Guide.
- Unless you wish to let your Rights lapse, you must complete and return the PAL by post or deliver it in person to Computershare Investor Services PLC if you are a UK or Other Shareholder, to Computershare Hong Kong Investor Services Limited if you are a HK Shareholder or to Corporate Shareholder Services, The Bank of Bermuda Limited if you are a Bermuda Shareholder, in each case before the relevant deadline. **Please note that different options have different deadlines.** Please read and complete your PAL carefully and please ensure that you post or deliver your completed PAL in plenty of time to meet the relevant deadline. A reply-paid envelope is enclosed with your PAL for you to use when returning your completed PAL.
- 22** I am a UK or Other Shareholder. How do I transfer my Rights into the CREST system?
- As a UK or Other Shareholder, your Rights may be deposited into CREST. If you wish to transfer all of your Rights into CREST, you should complete Form X and the CREST Deposit Form on page 2 of your PAL. If you wish to only transfer some of your Rights into CREST, you must first apply to split your PAL (Option 5). Once Rights are deposited into CREST, all renunciations, transfers and take up of Rights must be effected through CREST. You are recommended to refer to the CREST Manual for details of CREST procedures. Please ensure that you allow sufficient time to transfer your Rights into CREST. Please call the Shareholder Helpline for UK or Other Shareholders for further information.

23 What happens if I don't return my PAL and payment (if applicable) in time?

The Rights Issue process must run according to a strict timetable. If your completed PAL and payment (if applicable) is received after the relevant deadline, your election will not be processed and your Rights will lapse. If you are posting your PAL and payment (if applicable), you must allow sufficient time for them to arrive before the relevant deadline.

Please note that all items sent to, by, from or on behalf of a shareholder are sent entirely at the shareholder's own risk.

24 What happens if my payment for taking up my Rights fails?

If your cheque is returned by the banking system and payment cannot be made on first presentation of your cheque, your subscription for New Ordinary Shares may be treated as invalid and you may not be allotted New Ordinary Shares. In this case your Rights may be treated in the same way as if they had lapsed (see Question 9 above).

25 Where can I find out further information?

If you need further information or help completing your PAL, please telephone the relevant Shareholder Helpline on the number set out on page 2 of this Guide. Please be aware that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in the Prospectus and information relating to the Company's register of members and will not be able to give advice on the merits of the Rights Issue or to provide financial, legal, tax or investment advice.

26 What if I change my mind?

Once you have sent your PAL together with your payment, you cannot withdraw your application or change the number of New Ordinary Shares that you have applied for, except in the very limited circumstances set out in the Prospectus.

27 What happens if I have authorised an attorney to carry out my instructions?

Any forms completed and returned on your behalf by an attorney must be accompanied by a copy of the power of attorney certified by a solicitor or notary public.

Part C

UK or Other Shareholders: *How to complete the PAL*

Option 1:

Take up all your Rights

If you choose to take up all your Rights to New Ordinary Shares, the proportion of the total number of Ordinary Shares that you will hold after the Rights Issue will be the same as it was before the Rights Issue.

DEADLINE:

11.00 a.m. (UK time) on
3 April 2009

- 1 Make out a cheque drawn on your own account or obtain a building society cheque or a banker's draft in pounds sterling payable to "HSBC Holdings plc Rights Issue" and crossed "Account Payee Only" for the full amount indicated in Box C on page 1 of your PAL.

Cheques or banker's drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of those companies.
- 2 Write your name and Shareholder Reference Number (indicated at the top of page 1 of your PAL) on the back of your cheque or banker's draft and attach it to your PAL.
- 3 Put your PAL and cheque or banker's draft in the reply-paid envelope provided or otherwise send by post to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) or deliver by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
- 4 This must reach Computershare by 11.00 a.m. (UK time) on 3 April 2009.

If you post your PAL within the UK by first class post, please allow at least 4 working days for delivery.

Option 2:

Cashless Take Up

You have the option to elect for Computershare to sell some of your Rights in order to take up your remaining Rights. This is known as "Cashless Take Up" because you are able to use the funds raised through the sale of some of your Rights to pay for the remaining Rights without having to pay any additional money.

The sale price, and therefore the number of New Ordinary Shares you will receive, is not guaranteed as it depends on the market price of the Rights at the time of sale. Please note that there will be a £5.00 charge for this option which will be deducted from your sale proceeds. In addition, any cash balance of less than £5.00 which cannot be used to purchase New Ordinary Shares will not be returned to you. Please refer to the terms and conditions in Part H of this Guide.

DEADLINE:

3.00 p.m. (UK time) on
27 March 2009

- 1 Tick the "Cashless Take Up" Box (Option 2) on page 1 of your PAL and sign and date at the bottom of page 1 of your PAL.
- 2 Put your PAL in the reply-paid envelope provided or otherwise send by post to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) or deliver by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
- 3 This must reach Computershare by 3.00 p.m. (UK time) on 27 March 2009.

If you post your PAL within the UK by first class post, please allow at least 4 working days for delivery.

Option 3:

Sell all your Rights (through the Computershare Dealing Facility)

You have the option to elect for Computershare to sell all your Rights on your behalf. If you decide to sell all your Rights, the number of Ordinary Shares you hold will stay the same, but the proportion of the total number of Ordinary Shares that you hold following completion of the Rights Issue will be lower (i.e. your shareholding in the Company will be diluted).

The value of your Rights and the price at which they may be sold depends on market conditions at the time of sale. Your Rights may not have any value, in which case you will not receive any payment. Please note there will be a £5.00 charge for this option, which will be deducted from your sale proceeds (if any). Please refer to the terms and conditions in Part H of this Guide.

DEADLINE:

3.00 p.m. (UK time) on
27 March 2009

- 1 Tick the “Sell all your Rights” Box (Option 3) on page 1 of your PAL and sign and date at the bottom of page 1 of your PAL.
- 2 Put your PAL in the reply-paid envelope provided or otherwise send by post to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) or deliver by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
- 3 This must reach Computershare by 3.00 p.m. (UK time) on 27 March 2009.

If you post your PAL within the UK by first class post, please allow at least 4 working days for delivery.

Please note you can also sell your Rights other than through the Computershare Dealing Facility by renouncing your Rights (see Option 5) in accordance with the instructions on your PAL. A broker can arrange this for you. Your broker may charge you a fee for this service as agreed with your broker.

Option 4:

Take up some of your Rights

DEADLINE:

11.00 a.m. (UK time) on
3 April 2009

- 1 Complete and sign Form X on page 2 of your PAL.
- 2 Make out a cheque drawn on your own account or obtain a building society cheque or a banker’s draft in pounds sterling payable to “HSBC Holdings plc Rights Issue” and crossed “Account Payee Only” for the amount required to take up the relevant number of Rights. The amount required will be 254 pence multiplied by the number of Rights you wish to take up.

Cheques or banker’s drafts must be drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through facilities provided by either of those companies.
- 3 Write your name and Shareholder Reference Number (indicated at the top of page 1 of your PAL) on the back of your cheque or banker’s draft and attach it to your PAL.
- 4 Prepare a cover letter addressed to “HSBC Holdings plc” stating clearly the number of Rights you wish to take up.
- 5 Put your PAL, cheque or banker’s draft and cover letter in the reply-paid envelope provided or otherwise send by post to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) or deliver by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
- 6 This must reach Computershare by 11.00 a.m. (UK time) on 3 April 2009.

If you post your PAL within the UK by first class post, please allow at least 4 working days for delivery.

If you wish to take up some of your Rights, but transfer the remainder, you will need to split your PAL (see Option 5).

Option 5:

Other (split/renounce/deposit Rights in CREST)

DEADLINE:

Splitting: 3.00 p.m. (UK time) on **1 April 2009**

Renouncing Nil Paid Rights: 3.00 p.m. (UK time) on **1 April 2009**

Renouncing Fully Paid Rights: 11.00 a.m. (UK time) on **3 April 2009**

Deposit in CREST: 3.00 p.m. (UK time) on **30 March 2009**

You may (i) split or renounce your Rights or (ii) deposit your Rights into CREST by completing and signing Form X on page 2 of your PAL (and Form Y or the CREST deposit form if appropriate) on page 2 of your PAL or by taking your PAL to a broker.

Please call the UK or Other Shareholder Helpline (0870 702 0137 from within the UK or +44 870 702 0137 from outside the UK) as soon as possible or contact your broker if you wish to take any of the above actions.

Option 6:

Do nothing (let your Rights lapse)

If you do not wish to take up or sell any of your Rights then you do not need to return your PAL. Your Rights will lapse on 3 April 2009. The New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque provided the amount exceeds £5.00. Any net proceeds will be paid to you in pounds sterling. Cheques are expected to be despatched on or around 14 April 2009.

Part D

HK Shareholders:

How to complete the PAL

Option 1:

Take up all your Rights

If you choose to take up all your Rights, the proportion of the total number of Ordinary Shares that you will hold after the Rights Issue will be the same as it was before the Rights Issue.

DEADLINE:

4.00 p.m. (Hong Kong time) on **3 April 2009**

- 1 Make out a cheque or obtain a cashier's order in Hong Kong dollars payable to "HSBC Holdings plc Rights Issue" and crossed "Account Payee Only" for the full amount indicated in Box C of Form A on page 1 of your PAL. Cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong.
- 2 Write your name and Shareholder Reference Number (indicated at the top left of Form A on your PAL) on the back of your cheque or cashier's order and attach it to your PAL.
- 3 Put your PAL and cheque or cashier's order in the reply-paid envelope provided or otherwise send by post to Computershare Hong Kong Investor Services Limited, Rooms 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR or deliver by hand (during normal business hours) to the above address.
- 4 This must reach Computershare by 4.00 p.m. (Hong Kong time) on 3 April 2009.

If you post your PAL within Hong Kong please allow at least 4 working days for delivery.

Option 2:

Sell all your Rights (in the market)

If you decide to sell all your Rights, the number of Ordinary Shares you hold will stay the same but the proportion of the total number of Ordinary Shares that you hold will be lower following completion of the Rights Issue (i.e. your shareholding in the Company will be diluted).

DEADLINE:

4.00 p.m. (Hong Kong time) on **31 March 2009**

Take your PAL to your broker as soon as possible if you wish to sell all your Rights in the market. Your broker will help you fill in Form B on page 2 of your PAL. You should sign Form B.

You should take your PAL to your broker in sufficient time for your broker to sell all your Rights before dealing in Nil Paid Rights ends at 4.00 p.m. (Hong Kong time) on 31 March 2009. Your broker may charge a fee for this service as agreed with your broker.

If you wish to transfer all your Rights off-market you should refer to paragraph 2 of Option 4.

Option 3:

Take up some of your Rights

DEADLINE:

Splitting: 4.30 p.m. (Hong Kong time) on **26 March 2009**

Return PAL: 4.00 p.m. (Hong Kong time) on **3 April 2009**

To take up some of your Rights, you will first need to split your PAL (see paragraph 3 of Option 4).

You should then follow the steps outlined in Option 1 above in respect of those Rights you wish to take up. You should note that any of your Rights that are not taken up by you after splitting or are not sold or transferred by you to any other person will lapse at 4.00 p.m. (Hong Kong time) on 3 April 2009.

Option 4:

Other actions (transfer/split)

DEADLINE:

Transferring: 4.00 p.m.
(Hong Kong time) on
3 April 2009

Splitting: 4.30 p.m.
(Hong Kong time) on
26 March 2009

- 1 You may (i) transfer all of your Rights or (ii) split your Rights (if you wish to transfer some of your Rights and keep the remainder or transfer your Rights to more than one person).
- 2 Transfer all your Rights (to a specific person rather than through a broker) by completing and signing the form of transfer and nomination (Form B on page 2 of your PAL), and arranging for the transferee to complete and sign the registration application form (Form C on page 2 of your PAL). In order to effect the transfer, the transferee must lodge the PAL plus, if he/she wishes to take up the Rights, the remittance (a cheque drawn on a bank account with, or cashier's order issued by, a licensed bank in Hong Kong) with Computershare Hong Kong Investor Services Limited by 4.00 p.m. on 3 April 2009.
- 3 Split your Rights by delivering your PAL in person to Computershare Hong Kong Investor Services Limited for cancellation, together with a cover letter stating clearly the number of split PALs required and the number of Rights to be comprised in each split PAL (which, in aggregate, should be equal to the number of New Ordinary Shares provisionally allotted to you as stated in Box B of Form A on page 1 of your PAL). Your new split PALs will be available from 9.00 a.m. (Hong Kong time) on the second business day after delivery of your original PAL. You may then deal with your Rights set out in each split PAL in accordance with Options 2, 3 and 4. The deadline for splitting is 4.30 p.m. (Hong Kong time) on 26 March 2009.
- 4 Please call the Hong Kong Shareholder Helpline (2862 8699 from inside Hong Kong or +852 2862 8699 from outside Hong Kong) as soon as possible if you have any queries about any of the above actions.

Option 5:

Do nothing (let your Rights lapse)

If you do not wish to take up or sell any of your Rights then you do not need to return your PAL. Your Rights will lapse on 3 April 2009. The New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque provided the amount exceeds £5.00. Any net proceeds will be paid to you in Hong Kong dollars. Cheques are expected to be despatched on or around 14 April 2009.

Part E

Bermuda Shareholders: *How to complete the PAL*

Option 1:

Take up all your Rights

If you choose to take up all your Rights, the proportion of the total number of Ordinary Shares that you will hold after the Rights Issue will be the same as it was before the Rights Issue.

DEADLINE:

11.00 a.m. (Bermuda time) on
3 April 2009

- 1 Make out a cheque or obtain a local banker's draft in United States dollars payable to "The Bank of Bermuda Limited re HSBC Holdings plc Rights Issue" for the full amount indicated in Box C on page 1 of your PAL. Cheques or banker's drafts must be drawn on a bank account with a licensed bank in Bermuda. Third party cheques will not be accepted.
- 2 Write your name, daytime telephone number and Shareholder Reference Number (indicated at the top of page 1 of your PAL) on the back of your cheque or banker's draft and attach it to your PAL.
- 3 Put your PAL and cheque or banker's draft in the reply-paid envelope provided or otherwise send by post to Corporate Shareholder Services, The Bank of Bermuda Limited, 6 Front Street, Hamilton HM 11, Bermuda or deliver by hand (during normal business hours only) by depositing it into the designated "HSBC Rights Issue Drop Box" on the ground floor of The Bank of Bermuda Limited Head Office, 6 Front Street, Hamilton HM 11, Bermuda.
- 4 This must reach Corporate Shareholder Services, The Bank of Bermuda Limited by 11.00 a.m. (Bermuda time) on 3 April 2009.

Option 2:

Take up some of your Rights

DEADLINE:

11.00 a.m. (Bermuda time) on
3 April 2009

- 1 Complete and sign Form X on page 2 of your PAL.
- 2 Make out a cheque or obtain a local banker's draft in United States dollars payable to "The Bank of Bermuda Limited re HSBC Holdings plc Rights Issue" for the amount required to take up the relevant number of Rights. The amount required will be US\$3.61 multiplied by the number of Rights you wish to take up. Cheques or banker's drafts must be drawn on a bank account with a licensed bank in Bermuda. Third party cheques will not be accepted.
- 3 Write your name, daytime telephone number and Shareholder Reference Number (indicated at the top of page 1 of your PAL) on the back of your cheque or banker's draft and attach it to your PAL.
- 4 Prepare a cover letter addressed to "HSBC Holdings plc" stating clearly the number of Rights you wish to take up.
- 5 Put your PAL, cheque or local banker's draft and cover letter in the reply-paid envelope provided or otherwise send by post to Corporate Shareholder Services, The Bank of Bermuda Limited, 6 Front Street, Hamilton HM 11, Bermuda or deliver by hand (during normal business hours only) by depositing it into the designated "HSBC Rights Issue Drop Box" on the ground floor of The Bank of Bermuda Limited Head Office, 6 Front Street, Hamilton HM 11, Bermuda.
- 6 This must reach Corporate Shareholder Services, The Bank of Bermuda Limited by 11.00 a.m. (Bermuda time) on 3 April 2009.

If you wish to take up some of your Rights, but transfer the remainder, you will need to split your PAL (see Option 5).

Option 3:

Transfer all your Rights

DEADLINE:

Transfer Nil Paid Rights:
3.00 p.m. (Bermuda time)
on **1 April 2009**

Transfer Fully Paid Rights:
11.00 a.m. (Bermuda time)
on **3 April 2009**

- 1 If you wish to transfer all your Rights to another person, you will need to complete and sign Form X on page 2 of your PAL.
- 2 You should deliver your PAL to the proposed transferee or take your PAL to your broker, bank or other appropriate financial adviser.
- 3 If he/she wishes to take up the Rights, the transferee will need to fill in Form Y on page 2 of your PAL and then deposit the PAL plus the remittance in the designated "HSBC Rights Issue Drop Box" on the ground floor of The Bank of Bermuda Limited Head Office, 6 Front Street, Hamilton HM 11, Bermuda or send the PAL and remittance by post to Corporate Shareholder Services, The Bank of Bermuda Limited, 6 Front Street, Hamilton HM 11, Bermuda, in each case so as to be received by 11.00 a.m. (Bermuda time) on 3 April 2009.
- 4 The latest time and date you can lodge your PAL to transfer your Nil Paid Rights is 3.00 p.m. on 1 April 2009. The latest time and date you can lodge your PAL to transfer your Fully Paid Rights is 11.00 a.m. on 3 April 2009.

Please note that the Rights are not listed on the Bermuda Stock Exchange and you will not be able to sell your Rights on the Bermuda Stock Exchange.

Option 4:

Other actions (split)

DEADLINE:

3.00 p.m. (Bermuda time)
on **1 April 2009**

If you wish to take up some of your Rights but transfer the remainder or transfer all of your Rights but to different persons, you will first need to split your PAL by following the detailed instructions in paragraph 2 on page 4 of your PAL. Complete and sign Form X on page 2 of your PAL.

Please call the Bermuda Shareholder Helpline (299 6737 from within Bermuda or +1 441 299 6737 from outside Bermuda) as soon as possible if you wish to do this.

Option 5:

Do nothing (let your Rights lapse)

If you do not wish to take up or transfer any of your Rights then you do not need to return your PAL. Your Rights will lapse on 3 April 2009. New Ordinary Shares that your Rights entitled you to acquire will be offered for sale and any premium obtained over the issue price and the expenses of the sale will be paid to you by cheque provided the amount exceeds £5.00. Any net proceeds will be paid to you in United States dollars. Cheques are expected to be despatched on or around 14 April 2009.

Part F

Your checklist

Carefully read this Guide, your PAL and the Prospectus (available by following the instructions on the Company's website at www.hsbc.com/prospectus).

- ☐ Payment must be in pounds sterling if you are a UK or Other Shareholder, Hong Kong dollars if you are a HK Shareholder or United States dollars if you are a Bermuda Shareholder.
- ☐ If you are a UK or Other Shareholder make sure any cheque or banker's draft is made payable to "HSBC Holdings plc Rights Issue" and crossed "Account Payee Only". Write your name and Shareholder Reference Number on the back of your cheque or banker's draft. See Option 1 in Part C with regard to acceptable cheques or banker's drafts. Third party cheques (other than building society cheques) may be returned and your application may not be accepted.
- ☐ If you are a UK or Other Shareholder and use a building society cheque or banker's draft, please ensure that the bank or building society has confirmed your name by stamping or endorsing the cheque or banker's draft to that effect. You should also write your Shareholder Reference Number on the back of the cheque or banker's draft to enable us to link your payment to your application. Cheques over €15,000 (approximately £14,000) may be subject to anti-money laundering verification.
- ☐ If you are a HK Shareholder make sure any cheque or cashier's order is made payable to "HSBC Holdings plc Rights Issue" and crossed "Account Payee Only". Write your name and Shareholder Reference Number on the back of your cheque or cashier's order. See Option 1 in Part D with regard to acceptable cheques or cashier's orders.
- ☐ If you are a Bermuda Shareholder make sure any cheque or local banker's draft is made payable to "The Bank of Bermuda Limited re HSBC Holdings plc Rights Issue". Write your name, daytime telephone number and Shareholder Reference Number on the back of the cheque or banker's draft. See Option 1 in Part E with regard to acceptable cheques or banker's drafts. Third party cheques may be returned and your application may not be accepted.
- ☐ Please do not post-date your cheque, banker's draft or cashier's order.
- ☐ Only one cheque, banker's draft or cashier's order (as applicable) is allowed per PAL.
- ☐ Make sure your PAL is filled in properly, as indicated in the instructions in Parts C, D or E of this Guide. Incorrect or incomplete PALs may not be accepted.
- ☐ More than one member of your household may be a HSBC Holdings shareholder; keep individual applications from your household separate.
- ☐ **ENSURE YOU SIGN YOUR CHEQUE AND, IF RELEVANT, YOUR PAL.**
- ☐ If the PAL needs to be signed, all joint holders must sign the PAL. Any one of the persons named on the PAL, in the case of joint holders, may sign the cheque.
- ☐ Use the reply-paid envelope provided with this Guide.
- ☐ **Make sure you return your cheque, banker's draft or cashier's order (as applicable) and your completed PAL in good time so that it is received by Computershare Investor Services PLC if you are a UK or Other Shareholder or Computershare Hong Kong Investor Services Limited if you are a HK Shareholder or Corporate Shareholder Services, The Bank of Bermuda Limited if you are a Bermuda Shareholder (as applicable) before the relevant deadline.**

Part G

Key dates

UK OR OTHER SHAREHOLDERS

20 March 2009	London Stock Exchange: Trading in the Nil Paid Rights commences.
27 March 2009	Any instructions to take up your Rights through the Cashless Take Up facility must have been received by Computershare Investor Services PLC by 3.00 p.m. (UK time). Any instructions to take up your Rights received after 3.00 p.m. (UK time) may not be carried out.
27 March 2009	Any instructions to sell all of your Nil Paid Rights through the Computershare Dealing Facility must have been received by Computershare Investor Services PLC by 3.00 p.m. (UK time). Any instructions to sell your Nil Paid Rights received after 3.00 p.m. (UK time) may not be carried out.
1 April 2009	Any instructions to split your PAL must have been received by Computershare Investor Services PLC by 3.00 p.m. (UK time). Last day for lodging transfers of Nil Paid Rights (by 3.00 p.m. (UK time)).
3 April 2009	Any instructions to take up all or some of your Rights must have been received by Computershare Investor Services PLC by 11.00 a.m. (UK time). Any instructions to take up all or some of your Rights received after 11.00 a.m. (UK time) may not be carried out. Last day for lodging transfers of Fully Paid Rights (by 11.00 a.m. (UK time)).
14 April 2009	Share certificates are expected to be posted to shareholders.
14 April 2009	Cheques, if any, are expected to be posted to shareholders.

HK SHAREHOLDERS

23 March 2009	Hong Kong Stock Exchange: Trading in the Nil Paid Rights commences.
26 March 2009	Any instructions to split your PAL must have been received by Computershare Hong Kong Investor Services Limited by 4.30 p.m. (Hong Kong time).
31 March 2009	Last day for trading Nil Paid Rights on the Hong Kong Stock Exchange. Your broker will be unable to sell your Rights after 4.00 p.m. (Hong Kong time).
3 April 2009	Any instructions to take up all or some of your Rights must have been received by Computershare Hong Kong Investor Services Limited by 4.00 p.m. (Hong Kong time). Any instructions to take up all or some of your Rights received after 4.00 p.m. (Hong Kong time) may not be carried out.
8 April 2009	Share certificates are expected to be posted to shareholders.
14 April 2009	Cheques, if any, are expected to be posted to shareholders.

BERMUDA SHAREHOLDERS

1 April 2009	Any instructions to split your PAL must have been received by Corporate Shareholder Services, The Bank of Bermuda Limited by 3.00 p.m. (Bermuda time). Last day for lodging transfers of Nil Paid Rights (by 3.00 p.m. (Bermuda time)).
3 April 2009	Any instructions to take up all or some of your Rights must have been received by Corporate Shareholder Services, The Bank of Bermuda Limited by 11.00 a.m. (Bermuda time). Any instructions to take up all or some of your Rights received after 11.00 a.m. (Bermuda time) may not be carried out. Last day for lodging transfers of Fully Paid Rights (by 11.00 a.m. (Bermuda time)).
6 April 2009	Share accounts credited with your New Ordinary Shares.
14 April 2009	Cheques, if any, are expected to be posted to shareholders.

Part H

Computershare Dealing Facility and Cashless Take Up facility terms and conditions

THIS PART H ONLY APPLIES TO UK OR OTHER SHAREHOLDERS

These terms and conditions form a legally binding agreement between you and Computershare Investor Services PLC ('Computershare'). Computershare will provide this postal dealing Service to you in connection with the Rights Issue if you hold Shares in your own name. If you are resident in, or a citizen of, a jurisdiction outside the United Kingdom and you wish to use the Service, it is your responsibility to inform yourself about and observe any applicable legal requirements. Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, these terms and conditions should be treated as for information only. If you instruct us to sell any Rights on your behalf, we will do so on an execution-only basis. This means that we will not provide you with any investment advice. If you do need advice on exercising or selling your Rights or on any associated tax consequences then you should seek independent professional advice. These terms and conditions do not constitute a recommendation to exercise, sell or hold your Rights.

1 Definitions

"Advice Note" means a note addressed to you from Computershare setting out the number of Rights sold, the gross proceeds, and any Exercise Costs deducted by Computershare;

"Broker" means any broker or Market Maker which we use from time to time in order to execute client instructions;

"Business Day" means any day (excluding Saturday) on which banks in the United Kingdom are generally open for non-automated business;

"Cashless Take Up" means the selling of a sufficient number of Rights to generate enough sale proceeds to Exercise as many of your remaining Rights as possible;

"Dealing Date" means any date following receipt of your valid instructions pursuant to paragraph 2 or 3 on which we execute your instructions;

"Exercise" means taking up the Rights to acquire Shares at the Exercise Price;

"Exercise Costs" means a £5.00 fee payable to Computershare by any person giving instructions to sell their Rights through the Service;

"Exercise Price" means 254 pence per Share;

"Final Cut Off Date" means 27 March 2009, unless that

date is postponed;

"Final Dealing Date" means 30 March 2009, unless that date is postponed;

"FSA" means the Financial Services Authority;

"FSA Rules" means the rules published by the FSA as amended from time to time;

"FSCS" means the Financial Services Compensation Scheme in the United Kingdom;

"FSMA" means the Financial Services and Markets Act 2000;

"HSBC" or the "Company" means HSBC Holdings plc;

"Interim Cut Off Date" means the date or dates determined by Computershare as a cut off point for the purposes of aggregating instructions and calculating average proceeds;

"Interim Cut Off Period" means, to the extent applicable, the period from 20 March 2009 to the first Interim Cut Off Date, the period from the day after any Interim Cut Off Date to the next Interim Cut Off Date, or the period from the day after the final Interim Cut Off Date to the Final Cut Off Date;

"Market Hours" means the trading hours of the London Stock Exchange;

“Market Maker” means the entity able and willing to enter into transactions of sale and purchase of investments at prices determined by them generally and continuously, rather than in respect of each particular transaction;

“MiFID” means the Markets in Financial Instruments Directive (Directive 2004/39/EC);

“UK Provisional Allotment Letter” or “UK PAL” means the form which you must complete in order to instruct us to Exercise and/or sell your Rights;

“Retail Client” means, as described in MiFID, someone who is not a financial services professional. Retail Clients are offered the full protection of the FSA Rules;

“Rights” means rights being offered to you to acquire additional Shares in a proportion of 5 new Shares for every 12 Shares held by you on 13 March 2009;

“Rights Issue” means the rights issue announced by HSBC on 2 March 2009;

“Sale Period” means the period from 20 March 2009 to the Final Dealing Date;

“Service” means this postal dealing service provided by Computershare to effect a sale of all Rights or Cashless Take Up in connection with the Rights Issue;

“Settlement Date” means the date on which we receive the sale proceeds from the Broker, which will normally be three Business Days following the date of the trade;

“Shares” means ordinary shares in the Company with a nominal value of US\$0.50 each;

“we/us” means Computershare; and

“you” means the person holding an interest in the Nil Paid Rights, and, if applicable, Shares.

2 Instruction to Sell All Your Rights

(a) You may instruct us to sell all your Rights by ticking the box under Option 3 “Sell all your Rights” on page 1 of your UK PAL, signing and dating your UK PAL and returning it to us so as to be received by 3.00 p.m. on the Final Cut Off Date. Instructions should be sent to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) in the reply-paid envelope provided or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

(b) Instructions received after 3.00 p.m. on the Final Cut Off Date may not be accepted.

(c) We will deduct the Exercise Costs from the proceeds of the sale of your Rights and a cheque together with an Advice Note will be sent to you at the address recorded for you on the Company’s principal register of members.

(d) Any cheque will be sent to you as soon as reasonably practicable once the sale proceeds are received from the Broker.

(e) We will not accept partial sale instructions through this service except in relation to Cashless Take Up.

3 Instruction to elect for Cashless Take Up

(a) To elect for a Cashless Take Up you will need to tick the box under Option 2 “Cashless Take Up” on page 1 of your UK PAL, sign and date your UK PAL and return it to us by 3.00 p.m. on the Final Cut off Date. We will then arrange for a Cashless Take Up. Instructions should be sent to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR (from within the UK) or to Computershare Investor Services PLC, Corporate Actions Overseas, The Pavilions, Bridgwater Road, Bristol, BS99 6BF, United Kingdom (from outside the UK) in the reply-paid envelope provided or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

(b) Instructions received after 3.00 p.m. on the Final Cut off Date may not be accepted.

(c) We will instruct a Broker to execute the sale of your Rights to the extent required to produce sale proceeds which are sufficient to take up at least one of your unsold Rights.

(d) An Advice Note recording both transactions will be sent to you at the address recorded for you on the Company’s register of members.

(e) The Advice Note will be sent to you the Business Day following the completion of the purchase of your unsold Rights as described in paragraph 4(z).

(f) A share certificate representing your new Shares will be sent to you at the address recorded for you on the Company’s principal register of members.

(g) Any residual amount from the partial sale that cannot be used to purchase new Shares of less than £5.00 will be retained and not returned to the participating shareholder(s).

4 How and when we will carry out your instructions

Sell all your Rights (Option 3)

(a) With respect to valid instructions pursuant to paragraph 2 of these terms and conditions received by us on or by 3.00 p.m. on the Final Cut Off Date, we will use reasonable endeavours to instruct a Broker to sell your Rights pursuant to such instructions by the Final Dealing Date.

(b) Following receipt of your instructions, we will normally instruct a Broker to sell your Rights on the Business Day after the Final Cut Off Date. We reserve the right to instruct the Broker to sell your Rights on any date following the receipt of your instructions.

(c) We may aggregate your instructions received pursuant to paragraph 2 with similar instructions received from other shareholders using this Service during the Sale Period. In this case you would receive an average price for your Rights of all prices obtained by all shareholders over the entire Sale Period. This may result in a more or less favourable price than if your instruction had been executed separately.

(d) We reserve the right to set one or more Interim Cut Off Dates for sale instructions during the Sale Period, based on market conditions and in our sole discretion, in order to comply with our duty to take all reasonable steps to obtain the best possible result for the sale of any Rights.

(e) If your instructions pursuant to paragraph 2 above are received in any particular Interim Cut Off Period, they may be aggregated with other instructions received during the same Interim Cut Off Period. In this case you would receive an average price for your Rights of all prices obtained during such Interim Cut Off Period. This may result in a more or less favourable price than if you had received an average price over the entire Sale Period.

(f) Your Rights may be sold in several transactions and on separate days in which case you would receive an average price for your Rights. This may result in a more or less favourable price than if your instruction had been executed in the one transaction or on the same day.

(g) In accordance with the FSA Rules, Computershare will take all reasonable steps to obtain the best possible result for the sale of any Rights. However, the proceeds that you receive will be an average of the prices obtained during the relevant dealing day or days.

(h) Based on market conditions, if on any given Dealing Date it is in our reasonable opinion unlikely that the proceeds from the sale of Rights would exceed the Exercise Costs for the majority of shareholders (where

Rights are being sold in bulk), we or the Broker will not sell your Rights on that Dealing Date but rather will defer the sale to a future Dealing Date or future Dealing Dates, up to and including the Final Dealing Date.

(i) Instructions received pursuant to paragraph 2 above will be processed on a first come, first served basis. If sales are deferred, all sale instructions received on the same day will be aggregated and the aggregate instructions will be executed in order according to the day on which they were received.

(j) Notwithstanding any other provision of these terms and conditions, if your Rights are not sold by us or the Broker by the Final Dealing Date, we reserve the right to instruct a Broker to sell your Rights after this date. If your Rights are not sold they will lapse on 3 April 2009. New Shares that your Rights entitled you to acquire will be offered for sale to other people by the Company's underwriters and we will send you a cheque for the amount of any premium obtained over the issue price and the expenses of the sale (provided that the amount exceeds £5.00).

Cashless Take Up (Option 2)

(k) With respect to valid instructions pursuant to paragraph 3 of these terms and conditions received by us on or by 3.00 p.m. on the Final Cut Off Date, we will use reasonable endeavours to instruct a Broker to sell a sufficient number of your Rights by the Final Dealing Date in order for us to arrange for your Cashless Take Up.

(l) Following receipt of your instructions, we will normally instruct a Broker to sell your Rights on the Business Day after the Final Cut Off Date. We reserve the right to instruct the Broker to sell your Rights on any date following the receipt of your instructions.

(m) We may aggregate your instructions received pursuant to paragraph 3 with similar instructions received from other shareholders using this Service during the Sale Period. In this case you will receive an average price for your Rights of all prices obtained by all shareholders over the entire Sale Period. This may result in a more or less favourable price than if your instruction had been executed separately.

(n) We reserve the right to set one or more Interim Cut Off Dates for Cashless Take Up instructions during the Sale Period, based on market conditions and in our sole discretion, in order to comply with our duty to take all reasonable steps to obtain the best possible result for the sale of any Rights.

(o) If your instructions pursuant to paragraph 3 above are received in any particular Interim Cut Off Period, they may be aggregated with other instructions

received during the same Interim Cut Off Period. In this case you would receive an average price for your Rights of all prices obtained during such Interim Cut Off Period. This may result in a more or less favourable price than if you had received an average price over the entire Sale Period.

(p) Your Rights may be sold in several transactions and on separate days in which case you would receive an average price for your Rights. This may result in a more or less favourable price than if your instruction had been executed in one transaction or on the same day.

(q) In accordance with the FSA Rules, Computershare will take all reasonable steps to obtain the best possible result for the sale of any Rights. However, the proceeds that you receive will be an average of the prices obtained during the relevant dealing day or days.

(r) Based on market conditions, if on any given Dealing Date it is in our reasonable opinion unlikely that the proceeds from the sale of Rights would be sufficient for the majority of shareholders to take up at least one of their Rights (where Rights are being sold in bulk), we or the Broker will not sell your Rights on that Dealing Date but rather will defer the sale to a future Dealing Date or future Dealing Dates, up to and including the Final Dealing Date.

(s) Instructions received pursuant to paragraph 3 above will be processed on a first come, first served basis. If sales are deferred, all Cashless Take Up instructions received in the same period will be aggregated and the aggregate instructions will be executed in order according to the period during which they were received.

(t) Notwithstanding any other provision of these terms and conditions, if your Rights are not sold by us or the Broker by the Final Dealing Date, we reserve the right to instruct a Broker to sell your Rights after this date. If your Rights are not sold they will lapse on 3 April 2009. New Shares that your Rights entitled you to acquire will be offered for sale to other people by the Company's underwriters and we will send you a cheque for the amount of any premium obtained over the issue price and the expenses of the sale (provided that the amount exceeds £5.00).

General Dealing Matters

(u) The Broker may also aggregate our instructions with instructions from other clients. This may result in a more or less favourable price than if your instruction had been executed separately. If the Broker executes a number of instructions for us on the particular day then it/we may average the price obtained for all the orders if different instructions were dealt at different prices.

(v) We may either use a Broker or place the order directly in the market ourselves.

(w) The Broker we select is required, prior to executing the instruction, to consider factors including the likelihood of execution, size of instruction, nature of stock, costs, speed of settlement, prevailing stock price and execution venue and may give preference to those factors that determine the best possible result for you in terms of total consideration.

(x) The Broker will normally select execution venues that are Regulated Markets or Multilateral Trading Facilities ('MTF'): these are markets authorised to the extent that they operate in accordance with non-discretionary rules as required by MiFID (e.g. London Stock Exchange). In order to obtain the best possible result, the Broker may decide at its discretion to execute your instruction outside a Regulated Market or MTF; this could happen if the Broker deals as principal, executes the client instruction with a Market Maker or matches the client instruction against another client instruction received. By using this Service you consent to us transmitting the instruction on the basis that the Broker may use a venue that is not a Regulated Market or MTF.

(y) When transmitting your instructions to a Broker for execution we will take reasonable steps to use a Broker whose stated execution policy is to obtain the best possible result. We have implemented a policy that identifies the factors involved with the execution of client instructions by the Broker receiving these instructions from us. These factors will usually give priority to the prevailing price and costs. Appropriate information from the policy has been disclosed as part of these terms and conditions; a full copy of the policy is available upon a written request made to: Computershare Investor Services PLC, Computershare Dealing Team, Bristol, BS99 6AL.

(z) Due to the large size of the aggregated sales, a validation process will be undertaken by us and the Broker to confirm that the correct number of Rights have been sold. Only once we have been able to determine that the correct number of Rights have been sold, carried out the necessary audit procedures, registered the sale and printed the Advice Notes will the transaction be regarded as complete and properly executed. We will complete this process as soon as reasonably practicable and send you an Advice Note within one Business Day.

5 Sale Proceeds

(a) We will receive the proceeds of the sale of your Rights from the Broker on the Settlement Date. We reserve the right not to make any payment to you until we have received the sale proceeds from the Broker.

(b) The proceeds of the sale of your Rights less the Exercise Costs will be sent to you by cheque in pounds sterling at the address recorded for you on the Company's principal register of members.

(c) We will not accept and you should not give any instructions to make payments to any third party or in alternative currencies.

6 Acknowledgements and Rejections

(a) We will not acknowledge receipt of your UK PAL.

(b) If you are sending an instruction under a power of attorney you should indicate this fact and enclose the original power of attorney or a copy certified by a solicitor or notary public, which will be inspected and returned to you. Failure to provide the required documentation will render your instruction invalid.

(c) We may choose not to act on any particular instruction. We will notify you in writing as soon as we decide not to accept a particular instruction.

(d) We reserve the right to reject instructions which are not given on the UK PAL, or where the UK PAL has not been properly completed. Any UK PAL which we reject will be returned to you by post. We do not accept instructions which are given by fax, email or on photocopied forms.

7 Our Fees

(a) For each sale of Rights in accordance with instructions given pursuant to paragraph 2 or 3 above, we will charge a fee of £5.00.

(b) If we carry out any other services or provide you with any other information which is not mentioned in these terms and conditions then we may write and ask you to pay for that service or information.

8 Liability

(a) We will take reasonable care in operating the Service, and will be responsible to you and/or your spouse/civil partner for any losses or expenses (including loss of Rights or Shares) suffered or incurred by you as a direct result of our breach of these terms and conditions, negligence, wilful default or fraud. We do not accept liability for any indirect or consequential loss suffered by you or for any loss which does not arise as a result of our breach of these terms and conditions, negligence, wilful default or fraud.

(b) If you are in any doubt as to whether an instruction has been received or carried out you should telephone

Computershare immediately using the shareholder helpline on 0870 702 0137 (+44 870 702 0137 from outside the UK) between 8.30 a.m. and 5.30 p.m. Monday to Friday (being a Business Day).

(c) Nothing in these terms and conditions restricts any rights you may have under the rules of the FSA or under the FSMA.

(d) We shall not be responsible for delays or failure to perform any of our obligations due to acts beyond our control. Such acts may include, but not be limited to, acts of God, strikes, lockout, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

9 Contacting each other

(a) All notices and other communications which you send us should be addressed to Corporate Actions 3, Computershare Investor Services, Project 1, Bridgwater Road, Bristol, BS99 6AR. We can also be contacted by telephone on the number given in paragraph 8(b) above between 8.30 a.m. and 5.30 p.m. Monday to Friday (being a Business Day).

(b) We will send all documents and cheques to you at the address recorded for you on the Company's principal register of members by first class post.

(c) Any documents or cheques sent to, by, from you or on your behalf will be sent at your own risk.

(d) Computershare provides its contractual terms in English and will communicate with you only in English in respect of these terms and conditions.

10 General

(a) The decision to exercise and/or sell your Rights is your sole responsibility.

(b) Share and Rights values may go down as well as up and may result in you not receiving back the full amount invested.

(c) The price of Rights may fluctuate in the period after we receive your instructions pursuant to paragraphs 2 or 3 above but before they are executed.

(d) You may not cancel or amend any instructions to sell Rights once they have been received by us. Your request will be irrevocable.

(e) We will act as your agent when we undertake a sale of your Rights. By instructing us to sell your Rights, you give us authority to sign, complete and deliver any

transfer or other document necessary to give effect to your instructions.

(f) We and/or the Broker are entitled to deduct the Exercise Costs from your sale proceeds.

(g) We reserve the right to delay taking action on any particular instructions from you if we consider that we need to obtain further information from you, or to comply with any legal or regulatory requirement binding on us (including the obtaining of evidence of identity to comply with money laundering regulations), or to investigate any concerns we may have about the validity of, or any other matter relating to, such instructions.

(h) We will not do anything which would break any relevant laws, rules, regulations or codes or risk exposing us to criticism for behaving improperly or not acting in accordance with good market practice.

(i) All client money we hold on your behalf as a consequence of administering this Service is maintained in a designated client money account at HSBC Bank plc, a UK approved bank. This means your money is segregated and protected in accordance with the requirements of the FSA Rules. If we or the bank became insolvent, your money would remain protected in accordance with the prevailing terms of FSCS. We will not pay interest on this account.

(j) Fractions of a penny due to you from the sale of your Rights are rounded down to the nearest penny.

(k) These terms and conditions and any non-contractual obligation arising with respect to them are governed by and shall be construed in accordance with the law of England and Wales.

(l) When you give us an instruction to sell Rights, you represent to us that you are entitled to sell your Rights and that no other person has any rights, interests or charges in or over your Rights.

(m) For the purpose of offering this Service, you will be categorised as a Retail Client.

(n) The Service is provided by Computershare. By using the Service you agree that you will be a client of Computershare and not of the Company when using the Service. Computershare rather than the Company will be responsible, therefore, for providing you with the protections afforded by the UK regulatory regime. The Company does not provide advice to shareholders on dealing in its shares.

(o) In the provision of this Service, we are not required to assess the suitability of the investment or the service offered. You will not benefit from the protection of the rules on assessing suitability.

(p) We and our agents (including any Broker) may effect transactions notwithstanding that we or they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with our or its duty to persons using this Service. We manage those conflicts of interest of which we are aware, and monitor the effectiveness of our policies and procedures on a regular basis. We make every effort to disclose our interests and those of our employees where it is suspected that a conflict of interest may arise. In accordance with our regulatory responsibility on this matter we operate a documented policy that details our obligations if such events arise. Full details are available upon a written request to: Computershare Investor Services PLC, Computershare Dealing Team, Bristol, BS99 6AL.

(q) The parties to this agreement are you and us (the 'parties'). The parties do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

(r) By signing the UK Provisional Allotment Letter and electing to sell all of your Rights, you warrant that you are renouncing all of your Rights. By signing the UK Provisional Allotment Letter and electing Cashless Take Up, you warrant that you are renouncing that number of your Rights as are required to be sold to effect Cashless Take Up.

(s) You are not able to specify a price or a minimum price at which Rights are to be sold for you.

11 Data Protection Notice

Any personal data that we obtain from you in providing the Service will be held by us in accordance with the relevant legislation. We will only hold, use or otherwise process such of your personal data as is necessary to provide you with the Service. Your details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- to any person if that person has legal or regulatory powers over us; or
- to the Broker or any other person or body in order to facilitate the provision of the Service.

We may use our group companies or other agents in countries outside the European Economic Area provided that we are satisfied that the same standards of protection of personal data have been applied.

You have a right to request to view the personal data that we hold on you. We may charge you a small fee for providing you access to this information.

12 Complaints and Compensation

(a) We have a procedure to help us resolve all complaints from our customers effectively. If you have any complaints about the service provided to you or wish to receive a copy of our complaints procedure, please write to us at Computershare Investor Services PLC, Shareholder Relations, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Details of which are available on request.

(b) Computershare is covered by the FSCS and you may be entitled to compensation if Computershare cannot meet its obligations to you under these terms and conditions. Most types of investment business are covered for 100% of the first £30,000 of a claim and

90% of the next £20,000 of a claim so the maximum compensation is £48,000 per claim. Further details of the FSCS are available on request.

Computershare Investor Services PLC is authorised and regulated by the Financial Services Authority, Registered Office: 25 The North Colonnade, Canary Wharf, London E14 5HS. Computershare Investor Services PLC is registered in England & Wales, Company No. 3498808, Registered Office: The Pavilions, Bridgwater Road, Bristol, BS13 8AE. Computershare Investor Services PLC is on the Financial Services Authority Register with registration number 188534. The main business of Computershare Investor Services PLC is the provision of share registry and shareholder services.

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No communication or information relating to the Rights Issue may be disseminated to the public in any jurisdiction where prior registration or approval is required for that purpose. With the exception of certain actions taken in the UK, Hong Kong, Australia, Bermuda, France, Germany, Greece, India, Ireland, Malaysia, Malta, the Netherlands and Spain, no action has been taken or will be taken relating to the offering of Rights or New Ordinary Shares in any jurisdiction in which such steps would be required.

The issue, exercise or sale of Rights and the acquisition of New Ordinary Shares or Rights are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

A prospectus relating to the Rights Issue pursuant to Directive 2003/71/EC has been prepared and is available at www.hsbc.com/prospectus. It is intended that such prospectus will be passported into France, Germany, Greece, Ireland, Malta, the Netherlands and Spain. Investors should not take up any of their rights or subscribe for any shares referred to in this Guide except on the basis of the information contained in such prospectus.

The distribution of this Guide and/or the Prospectus and/or the PAL into jurisdictions other than the United Kingdom, Hong Kong or Bermuda may be restricted by law. Persons into whose possession these materials come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of any person (including, without limitation, nominees and trustees) outside the United Kingdom, Hong Kong or Bermuda wishing to apply for New Ordinary Shares or Rights under the Rights Issue to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection, therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. In particular, subject to certain exceptions, this Guide and the PAL should not be distributed, forwarded to, or transmitted in, into or from Canada, Indonesia, Japan, Mexico, the Kingdom of Saudi Arabia, South Korea, Switzerland, Turkey or the United Arab Emirates or, in the case of this Guide, the United States or any other jurisdiction where their publication or distribution would be unlawful.

For further information

Please note that further details regarding the Rights Issue are contained in the Prospectus that is available by following the instructions on the Company's website: www.hsbc.com/prospectus.

Additional information regarding the Rights Issue can also be found via the following link:
www.hsbc.com/investor-relations.

You will need to read the disclaimer and confirm your country of residence before accessing this information.

Shareholder Helpline telephone numbers:

For UK or Other Shareholders: 0870 702 0137 (from within the UK) or +44 870 702 0137 (from outside the UK)

For HK Shareholders: 2862 8699 (from within Hong Kong) or +852 2862 8699 (from outside Hong Kong)

For Bermuda Shareholders: 299 6737 (from within Bermuda) or +1 441 299 6737 (from outside Bermuda)

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Registered in England and Wales: number 617987

(Hong Kong Stock Code 5)

Dated 19 March 2009

www.hsbc.com

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Issued by HSBC Holdings plc, London

Printed by Elegance Printing Company Limited, Hong Kong