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If you have sold or transferred all your shares in Hang Seng Bank Limited, you should at once hand this Circular and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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恒生銀行
HANG SENG BANK

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND BUY-BACK SHARES,
RE-ELECTION AND ELECTION OF DIRECTORS,
REMUNERATION OF NON-EXECUTIVE DIRECTORS,
RE-APPOINTMENT OF AUDITOR,
NOTICE OF 2020 ANNUAL GENERAL MEETING,
AND
SPECIAL ARRANGEMENTS FOR 2020 ANNUAL GENERAL MEETING**

恒生銀行有限公司
Hang Seng Bank Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 11)

The notice convening the 2020 AGM of the Bank on **Friday, 22 May 2020 at 3:30 pm** is set out on pages 18 to 21 of this Circular.

In light of the continuing risks posed by the COVID-19 pandemic, the Bank is adopting special arrangements in respect of the 2020 AGM (details on page 1). In particular, **Shareholders will NOT be able to attend in person, but may view and listen to the 2020 AGM by webcast. To vote at the 2020 AGM, you should complete and return the Proxy Form, appointing the chairman of the 2020 AGM as your proxy**, to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 3:30 pm on Wednesday, 20 May 2020. Such Proxy Form can also be downloaded from www.hangseng.com or www.hkexnews.hk. **No gifts will be distributed for the 2020 AGM.**

SPECIAL ARRANGEMENTS FOR THE 2020 AGM

Dear Shareholders

We find ourselves in unprecedented times as Hong Kong, and the world, grapples with the impact of the COVID-19 pandemic. While measures seeking to mitigate the pandemic differ from country to country, it has become globally accepted that social distancing measures are key in the fight against COVID-19.

In Hong Kong, the Government introduced the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) (the “Regulation”), which became effective on 29 March 2020, to promote and maintain social distancing. The Regulation prohibits group gatherings that take place in any “public place” (as defined in the Regulation) during the “specified period” (as defined in the Regulation), which currently runs until 23 April 2020 but can be extended by the Government. While gatherings for the purposes of holding company meetings are exempt from the prohibition, we consider the safety and wellbeing of our Shareholders, staff and other members of the community to be paramount and, accordingly, in line with practices adopted in other markets and taking into account legal advice, this year we are adapting the arrangements for the 2020 AGM to minimise attendance in person, while still enabling Shareholders to vote and ask questions. It is a legal requirement for our 2020 AGM to be held before 30 June 2020 and therefore we must proceed with the meeting but in the interests of public health and safety, we set out below in detail the measures we are adopting in respect of the 2020 AGM.

No physical attendance but Shareholders can view and listen to the 2020 AGM by live webcast

The AGM will be held with the minimum number of persons present as is legally required to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the meeting. The quorum will be formed by directors or other senior staff members who are Shareholders.

Given the above, **NO other Shareholder, proxy or corporate representative should attend the AGM in person.** Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to do so will be excluded and will not be permitted entry to the venue of the AGM.

Shareholders may, however, **view and listen to the 2020 AGM through a live webcast of the AGM** which can be accessed by going to <https://streamstudio.world-television.com/768-1411-23886/en-kontiki> on a computer, tablet or any browser enabled device. Please follow the instructions on the landing page on how to access the webcast. You will be able to access the live webcast one hour before the start of the AGM until its conclusion.

Further, in line with the guidance jointly provided by the Stock Exchange and Securities and Futures Commission on 1 April 2020, there will be **NO distribution of gifts at the AGM.**

Vote by appointing the chairman of the AGM as your proxy

All resolutions at the AGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the AGM by proxy. If you wish to vote on any resolution at the AGM, you must **appoint the chairman of the AGM as your proxy to exercise your right to vote at the AGM in accordance with your instructions.** If you appoint a person who is not the chairman of the AGM as your proxy, that person will not be permitted entry to the meeting and will not be able to exercise your vote.

SPECIAL ARRANGEMENTS FOR THE 2020 AGM

The proxy form is posted to Shareholders other than those who have opted to receive email notification of the Bank's corporate communications. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Bank's website at <https://www.hangseng.com/en-hk/about-us/investor-relations/shareholders-meeting/form-of-proxy/>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

The proxy form should be returned to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 3:30 pm on Wednesday, 20 May 2020 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be).

Ask questions before or during the AGM

The AGM is an important opportunity for all Shareholders to express their views by asking questions and voting. Your participation in the AGM continues to be important. If you would like to submit a question on the business of the meeting in advance, please send your questions to the email account: agm.question@hangseng.com. You can also submit questions during the AGM through the webcast link provided.

The Board will arrange for as many of the questions asked to be answered as possible at the AGM.

Changes to arrangements

We are closely monitoring the impact of COVID-19 in Hong Kong. Should any changes be made to the AGM arrangements we will notify Shareholders via an announcement posted on the Bank's website (www.hangseng.com) and the website of HKEx (www.hkexnews.hk).

Health education materials and up-to-date development on COVID-19 can be found on the Centre for Health Protection website (www.chp.gov.hk) and the website of the HKSAR Government on COVID-19 (www.coronavirus.gov.hk).

If Shareholders have any questions relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's Share Registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
E-mail: hkinfo@computershare.com.hk

For and on behalf of
Hang Seng Bank Limited

C C Li
Secretary

DEFINITION

In this Circular, unless the context otherwise requires, the following expressions have the following meanings:

“2020 AGM”	the annual general meeting of the Bank to be held on Friday, 22 May 2020 at 3:30 pm at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong or any adjournment or postponement thereof
“AGM”	annual general meeting
“Articles of Association”	the articles of association of the Bank, as amended from time to time
“Bank” or “Company”	Hang Seng Bank Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 11)
“Board” or “Directors”	the Board of Directors of the Bank or a duly authorised committee thereof for the time being
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“corporate communications”	any document(s) issued or to be issued by the Bank for the information or action of any holders of its securities including, but not limited to: (a) the directors’ report and annual report together with a copy of the auditor’s report and, where applicable, a summary financial report; (b) the interim report and, where applicable, a summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a form of proxy
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a wholly owned subsidiary of HSBC Holdings
“HSBC Holdings”	HSBC Holdings plc which is incorporated in England with limited liability and the holding company of HSBC Group, and the shares of which are listed on the Stock Exchange (Stock Code: 5)
“INED(s)”	Independent Non-executive Director(s) of the Bank
“Latest Practicable Date”	9 April 2020, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein

DEFINITION

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“NED(s)”	Non-executive Director(s) of the Bank
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share Buy-back Mandate”	a general mandate to buy-back Shares on the Stock Exchange representing up to 10% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the Share Buy-back Mandate
“Share(s)”	ordinary share(s) of the Bank
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers as amended from time to time

LETTER FROM THE CHAIRMAN

Hang Seng Bank Limited

(Incorporated in Hong Kong with limited liability)

Directors:

Dr Raymond K F Ch'ien* GBS, CBE, JP, *Chairman*
Ms Louisa Cheang, *Vice-Chairman and Chief Executive*
Dr John C C Chan* GBS, JP
Mr Nixon L S Chan#
Ms L Y Chiang* JP
Ms Kathleen C H Gan#
Ms Margaret W H Kwan
Ms Irene Y L Lee*
Dr Eric K C Li* GBS, OBE, JP
Dr Vincent H S Lo# GBM, JP
Mr Kenneth S Y Ng#
Mr Peter T S Wong# JP
Mr Michael W K Wu*

Registered Office:

83 Des Voeux Road Central
Hong Kong

* *Independent Non-executive Directors*

Non-executive Directors

18 April 2020

To the Shareholders

Dear Sir or Madam

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND BUY-BACK SHARES,
RE-ELECTION AND ELECTION OF DIRECTORS,
REMUNERATION OF NON-EXECUTIVE DIRECTORS,
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AND**

SPECIAL ARRANGEMENTS FOR 2020 ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this Circular is to seek your approval of the proposals to (a) grant to the Board general mandates to issue Shares and to buy-back Shares; (b) re-elect and elect Directors; (c) fix the remuneration of NEDs; and (d) re-appoint PricewaterhouseCoopers as auditor of the Bank and to provide you with information in connection with the same. Shareholders' approval of such proposals will be sought at the 2020 AGM. This Circular also provides you with information in connection with the special arrangements we are adopting for the 2020 AGM in light of COVID-19 for the purpose of public health and safety.

LETTER FROM THE CHAIRMAN

GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

Similar to the AGM of the Bank held on 9 May 2019, ordinary resolutions will be proposed at the 2020 AGM to grant to the Board (a) the Share Buy-back Mandate; and (b) the general mandate to allot, issue and otherwise deal with additional Shares up to a limit equal to, where the additional Shares are to be allotted wholly for cash, 5% and, in any other case, 20% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the relevant mandate.

The purpose of the general mandate to issue Shares is to enable the Board to issue additional Shares should the need arise (for example, in the context of a transaction which has to be completed speedily). The Board considers it a good corporate governance practice for the Bank to impose a limit of 5% where additional Shares are allotted wholly for cash. The 20% limit to the general mandate to issue additional Shares is imposed pursuant to the Listing Rules. No Shares have been bought-back and no Shares have been allotted, issued or otherwise dealt with pursuant to the general mandates granted by the Shareholders at the last AGM. The Board has no present intention to exercise the general mandates to issue additional Shares or to buy-back Shares.

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 Shares. On the basis that no further Shares are issued and/or bought-back by the Bank following the Latest Practicable Date and up to the date of the 2020 AGM, the Bank would be allowed under the general mandate to issue Shares to allot and to issue up to 382,368,547 Shares, representing 20% of the number of Shares in issue of the Bank as at the date of passing the resolution.

Under the terms of the Companies Ordinance and the Listing Rules, the general mandates granted to the Board at the 2019 AGM will lapse upon conclusion of the 2020 AGM, unless being renewed at the 2020 AGM. The Board takes the view that it would be in the interests of the Bank and its Shareholders as a whole if the general mandates were renewed. In this connection, resolutions will be proposed to renew these mandates. The explanatory statement giving certain information regarding the Share Buy-back Mandate as required by the Listing Rules is set out in **Appendix I** to this Circular.

RE-ELECTION AND ELECTION OF DIRECTORS

At the 2020 AGM, the Directors retiring by rotation in accordance with the Bank's Articles of Association are Dr Raymond K F Ch'ien, Mr Nixon L S Chan, Ms L Y Chiang, Mr Kenneth S Y Ng and Mr Michael W K Wu.

Mr Nixon L S Chan, who has joined the Board since January 2014, has informed the Board of his intention of not seeking re-election at the 2020 AGM in order to devote more time to his other commitments and areas of interest. Mr Chan will therefore retire from the Board at the conclusion of the 2020 AGM. The Board would like to express its gratitude to Mr Chan for his wise counsel and guidance during his tenure of office and wish him all the best.

Save for Mr Chan, all the other retiring Directors will offer themselves for re-election at the 2020 AGM.

Further, pursuant to Article 104 of the Articles of Association, any Director newly appointed by the Board shall hold office until the next following AGM, and shall then be eligible for election. Accordingly, Ms Kathleen C H Gan, being Director so appointed on 10 May 2019 after the last AGM, shall retire at the 2020 AGM and, being eligible, offer herself for election.

LETTER FROM THE CHAIRMAN

The Nomination Committee has considered the background, skills, knowledge and experience of the retiring Directors who are offering themselves for re-election, having regard to the Board Diversity Policy. The said Policy requires that board appointments are based on objective criteria, having due regard for the benefits of diversity on the Board including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. Particulars of the above-mentioned retiring Directors who will stand for re-election as Directors at the 2020 AGM are set out in **Appendix II** to this Circular. The particulars in **Appendix II** describe how each such Director contributes to the diversity of the Board. The Board notes that these Directors have extensive experience in different fields and professions that are relevant to the Bank's business. In addition, their respective education, background, experience and practice allow them to provide valuable and relevant insights and contribute to the diversity of the Board.

Dr Ch'ien, Ms Chiang and Mr Wu have served as INEDs of the Bank for more than nine years as at the Latest Practicable Date. During their tenure of office, Dr Ch'ien, Ms Chiang and Mr Wu have shared their experience and expertise both at and outside board/committee meetings, which has been very valuable to the Bank's business development and strategy. Their re-election will continue to enhance the governance and oversight of the Bank at both the Board and the Board Committee levels.

Further, the Nomination Committee has also assessed and reviewed each INED's independence based on the independence criteria set out in Rule 3.13 of the Listing Rules and Hong Kong Monetary Authority Guidance on "Empowerment of INEDs in the Banking Industry in Hong Kong", and has affirmed that all INEDs, including, Dr Ch'ien, Ms Chiang and Mr Wu, remain independent.

The Bank's Nomination Committee, which comprises a majority of INEDs, considers that Dr Ch'ien, Ms Chiang, Mr Ng and Mr Wu continue to contribute effectively and are committed to their roles. Accordingly, both the Nomination Committee and the Board have recommended the aforesaid retiring Directors to stand for re-election as Directors at the 2020 AGM.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The current scale of the Directors' fees of the Bank, which is HKD650,000 per annum for Chairman and HKD500,000 per annum for other NEDs (including INEDs), was recommended by the Board and approved by the Shareholders at the Bank's AGM held on 12 May 2017.

Given the significant increase in regulators' expectations and requirements, coupled with escalating requirements in areas such as corporate governance, risk management, internal control, conduct and culture, and financial crime compliance, and the ever more complicated operating environment, the role and responsibilities of Board and Board Committees have increased substantially. A resolution will be proposed under agenda item No.3 at the 2020 AGM to increase the fees payable by the Bank to the Chairman and the NEDs (including INEDs) to HKD860,000 per annum and HKD660,000 per annum respectively. If approved by the Shareholders, the proposed fees will become effective retrospectively as from 1 January 2020.

The remuneration packages of the Executive Directors are determined with reference to the Remuneration Policy of the Bank. No Directors' fees are payable to those Directors who are full time employees of the Bank or its subsidiaries.

LETTER FROM THE CHAIRMAN

In arriving at the above proposal, the Board has considered:

1. the time and effort that a NED has to spend in discharging his/her duties to the Bank; and
2. the frequency and magnitude of Directors' fees increases by other financial institutions and leading listed companies in Hong Kong which are similar in size and nature with that of the Bank.

The difference in the amount of fees payable to the Chairman and the other NEDs is to reflect the heavier workload and responsibilities of the Chairman, in line with the practice adopted by other major listed companies.

POLL VOTING AT THE 2020 AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2020 AGM will be decided by poll at the 2020 AGM. The Chairman of the 2020 AGM will demand a poll on each of the resolutions in accordance with Article 61 of the Articles of Association.

Article 67 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. As set out in the Special Arrangements for the 2020 AGM (on page 1 of this Circular), as Shareholders will not be permitted to attend the AGM in person, we strongly recommend all Shareholders complete and return the Proxy Form, appointing the chairman of the 2020 AGM as your proxy, to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 3:30 pm on Wednesday, 20 May 2020 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be).

RECOMMENDATION

The Board believes that the proposed general mandate to issue Shares and the Share Buy-back Mandate, re-election and election of Directors, remuneration of NEDs, and re-appointment of auditor are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolutions to be proposed at the 2020 AGM.

Yours faithfully

Raymond K F Ch'ien
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, and also as a memorandum of the terms of a proposed buy-back, as required by Section 239(2) of the Companies Ordinance, to provide information to Shareholders with regard to the Share Buy-back Mandate.

1. SHARE CAPITAL – NUMBER OF SHARES IN ISSUE

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 Shares. Subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued and/or bought-back prior to the 2020 AGM, exercise in full of the Share Buy-back Mandate would result in up to 191,184,273 Shares being bought-back by the Bank from the date of the 2020 AGM until the conclusion of the next AGM to be held in 2021.

2. REASONS FOR SHARE BUY-BACK

The Board believes that it is in the best interests of the Bank and its Shareholders as a whole to have a general authority from the Shareholders to enable the Board to buy-back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Bank and/or net assets per Share and/or earnings per Share and will only be made when the Board believes that such buy-back will benefit the Bank and its Shareholders as a whole.

3. FUNDING OF BUY-BACKS

Buy-back of Shares will be funded entirely from the Bank's available cash flow or working capital, and will, in any event, be made out of funds legally available for the buy-back in accordance with the Bank's Articles of Association and the applicable laws of Hong Kong.

There might be a material adverse effect on the working capital requirements or gearing levels of the Bank (as compared with the position disclosed in the audited financial statements contained in the Annual Report for the year ended 31 December 2019) in the event that the Share Buy-back Mandate is exercised in full at any time. The Board does not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or gearing levels of the Bank which, in the opinion of the Board, are from time to time appropriate for the Bank.

4. GENERAL

The Board has undertaken to the Stock Exchange that (so far as the same may be applicable) it will only exercise the power under the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Bank if the Share Buy-back Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Bank that they have a present intention to sell any Shares to the Bank, nor have they undertaken not to sell any Shares to the Bank, if the Share Buy-back Mandate is approved by the Shareholders.

According to the Listing Rules, except pursuant to a waiver granted by the Stock Exchange, the Bank shall not knowingly purchase its Shares from a core connected person and a core connected person shall not knowingly sell Shares to the Bank, on the Stock Exchange.

The Board is not aware of any consequences which could arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Share Buy-back Mandate. As at the Latest Practicable Date, HSBC beneficially owned Shares representing approximately 62.14% of the number of Shares in issue of the Bank. If the Board was to exercise the Share Buy-back Mandate in full, the percentage shareholding of HSBC would be increased to approximately 69.05% of the number of Shares in issue of the Bank. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

No buy-back has been made by the Bank of its Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date, and for the period from 1 April 2020 up to the Latest Practicable Date, were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	208.0	194.0
May	212.6	195.3
June	202.8	192.2
July	197.4	186.2
August	186.0	162.0
September	179.7	160.1
October	169.5	157.0
November	172.0	159.0
December	163.8	156.0
2020		
January	173.8	157.6
February	165.2	156.0
March	162.5	124.4
1 to 9 April (made up to the Latest Practicable Date)	139.8	126.7

Particulars of the Directors subject to re-election or election (as the case may be) at the 2020 AGM are set out below:

Dr Raymond K F CH'IEN GBS, CBE, JP
Independent Non-executive Chairman

Aged 68

Joined the Board since August 2007

Other positions held within Hang Seng Group

^Hang Seng Bank Limited –
Chairman of Nomination Committee;
Member of Remuneration Committee

Other major appointments

Justice of the Peace

^China Resources Power Holdings Company Limited – Independent Non-executive Director
Federation of Hong Kong Industries – Honorary President
Hong Kong CPPCC (Provincial) Members Association Limited –
Deputy Director of One Belt One Road and
Guangdong-Hong Kong-Macau Greater Bay Area Construction Advisory Committee
Swiss Re Asia Pte. Ltd. – Independent Non-executive Director
^Swiss Re Limited – Independent Non-executive Director
The Hongkong and Shanghai Banking Corporation Limited –
Independent Non-executive Director

Past major appointments

Economic Development Commission of HKSAR Government –

Non-official Member (2013 – 2018)

The Tianjin Municipal Committee of the Chinese People’s Political Consultative Conference –

Member of Standing Committee (2008 – 2018)

University of Pennsylvania, USA – Trustee (2006 – 2016)

^**MTR Corporation Limited** – Non-executive Chairman (2003 – 2015)

^**The Wharf (Holdings) Limited** – Independent Non-executive Director (2002 – 2015)

^**UGL Limited** – Non-executive Director (2012 – 2014)

^**Convenience Retail Asia Limited** – Independent Non-executive Director (2001 – 2014)

Hong Kong Mercantile Exchange Limited – Independent Non-executive Director (2009 – 2013)

^**China.com Inc** – Chairman (1999 – 2013)

Ascendas China Commercial Fund Management Limited – Chairman (2011 – 2012)

^**CDC Software Corporation** – Director (2009 – 2012)

The Hong Kong/European Union Business Cooperation Committee – Chairman (2005 – 2012)

^**CDC Corporation** – Chairman (1999 – 2011)

HSBC Private Equity (Asia) Limited – Chairman (1997 – 2010)

The APEC Business Advisory Council – Hong Kong Member (2004 – 2009)

^**Inchcape plc** – Independent Non-executive Director (1997 – 2009)

^**HSBC Holdings plc** – Independent Non-executive Director (1998 – 2007)

Independent Commission Against Corruption –

Chairman of Advisory Committee on Corruption (1998 – 2006)

Executive Council of HKSAR Government – Member (1997 – 2002)

Executive Council of Hong Kong, then under British Administration – Member (1992 – 1997)

Qualification

Doctoral Degree in Economics – University of Pennsylvania, USA

Major awards

Chevalier de l’Ordre du Merite Agricole of France (2008)

Gold Bauhinia Star (1999)

Commander in the Most Excellent Order of the British Empire (1994)

Ms L Y CHIANG JP

Independent Non-executive Director

Aged 54

Joined the Board since September 2010

Other positions held within Hang Seng Group

^Hang Seng Bank Limited –

Member of Audit Committee;

Member of Remuneration Committee

Other major appointments

Justice of the Peace

Aviation Development and Three-runway System Advisory Committee – Member

^Chen Hsong Holdings Limited –

Chairman;

Executive Director;

Chief Executive Officer

Chen Hsong Investments Limited – Director

China Shenzhen Machinery Association – Vice-President

Federation of Shenzhen Industries – Vice-Chairman

The Shenzhen Committee of the Chinese People’s Political Consultative Conference –

Member of Standing Committee

The Toys Manufacturers’ Association of Hong Kong – Vice-President

The Twelfth Guangdong Provincial Committee of the Chinese People’s Political

Consultative Conference – Member

Past major appointments

The Hong Kong University of Science and Technology –

Member of the Court (2012 – 2018)

Member of the Council (2006 – 2012)

Hospital Authority – Board Member (2011 – 2017)

Directorate Salaries and Conditions of Service of HKSAR Government –

Member of Standing Committee (2008 – 2014)

The Open University of Hong Kong – Member of the Council (2006 – 2012)

Disciplined Services Salaries and Conditions of Service of HKSAR Government –

Member of Standing Committee (2005 – 2010)

Qualification

Bachelor Degree of Arts – Wellesley College, USA

Major award

“Young Industrialist Awards of Hong Kong” by the Federation of Hong Kong Industries (2004)

Ms Kathleen C H GAN

Non-executive Director

Aged 45

Joined the Board since May 2019

Other major appointments

HSBC Bank (China) Company Limited – Supervisor

HSBC Global Services Limited – Director

^HSBC Holdings plc –

Group General Manager;

Head of Finance

Past major appointments

HSBC Asia Holdings Limited – Director (2018 – 2020)

HSBC Asia Pacific Holdings (UK) Limited – Director (2015 – 2019)

HSBC Insurance (Asia) Limited – Director (2015 – 2019)

HSBC Insurance (Asia-Pacific) Holdings Limited – Director (2016 – 2019)

HSBC Life (International) Limited – Director (2015 – 2019)

HSBC Securities Investments (Asia) Limited – Director (2015 – 2019)

The Hongkong and Shanghai Banking Corporation Limited –

Alternate Chief Executive (2016-2020)

Chief Financial Officer, Asia Pacific (2015 – 2019)

Global Chief Financial Officer, Global Commercial Banking (2010 – 2015)

Global Chief Risk Officer, Global Commercial Banking (2011 – 2014)

HSBC North America Holdings Inc –

Executive Vice President, Chief Operating Officer – North America Finance (2008 – 2010)

Qualifications

Bachelor's Degree (Honors) in Business – Nanyang Technological University, Singapore

Henry Crown Fellow – The Aspen Institute, USA

Mr Kenneth S Y NG
Non-executive Director

Aged 69

Joined the Board since March 2014

Other position held within Hang Seng Group

^Hang Seng Bank Limited – Member of Risk Committee

Other major appointments

Hong Kong General Chamber of Commerce – Vice Chairman of Legal Committee

HSBC Bank Australia Limited –

Non-executive Director;

Member of Audit Committee

HSBC Bank (Vietnam) Ltd. – Chairman of Board of Supervision

^Ping An Insurance (Group) Company of China, Ltd. – Independent Non-executive Director

The University of Hong Kong –

Member of Asian Institute of International Financial Law Advisory Board of the Faculty of Law

Past major appointments

HSBC Bank (China) Company Limited – Non-executive Director (2011 – 2018)

Competition Tribunal Users' Committee of HKSAR Government – Member (2014 – 2017)

Standing Committee on Company Law Reform – Member (2011 – 2017)

The Law Society of Hong Kong – Council Member (2002 – 2016)

The Hongkong and Shanghai Banking Corporation Limited –

General Counsel, Asia Pacific (1998 – 2016)

Deputy Head of Legal and Compliance Department (1993 – 1998)

Assistant Group Legal Adviser (1987 – 1993)

Board of Review of Inland Revenue Ordinance of HKSAR Government –

Member (2008 – 2014)

^Ping An Insurance (Group) Company of China, Ltd. – Non-executive Director (2006 – 2013)

Qualifications

Bachelor's Degree and Master's Degree in Laws (L.L.B. and L.L.M.) – University of London, UK

Bachelor's Degree in Laws (L.L.B.) – Beijing University, PRC

Mr Michael W K WU

Independent Non-executive Director

Aged 49

Joined the Board since September 2010

Other positions held within Hang Seng Group

^Hang Seng Bank Limited –

Member of Nomination Committee;
Member of Risk Committee

Other major appointments

Hongkong Caterers Limited – Executive Director and Company Secretary

^Hongkong Land Holdings Limited – Non-executive Director

^Jardine Matheson Holdings Limited – Non-executive Director

Maxim’s Caterers Limited – Chairman and Managing Director

The Community Chest of Hong Kong – Board Member

Past major appointments

^Hang Seng Bank Limited – Member of Audit Committee (2014 – 2018)

The Community Chest of Hong Kong – Member of Executive Committee (2017 – 2018)

The Hong Kong University of Science and Technology – Member of the Council (2011 – 2017)

Qualification

Bachelor of Science in Applied Mathematics and Economics – Brown University, USA

Major awards

“Ernst & Young Entrepreneur of The Year 2012 China” –

Category Winner (Services) and Country Winner (Hong Kong/Macau Regions) (2012)

Executive Award of the DHL/SCMP Hong Kong Business Awards (2008)

^ The securities of these companies are listed on a securities market in Hong Kong or overseas.

Notes:

1. *The interests of Dr Raymond K F Ch'ien, Ms L Y Chiang, Ms Kathleen C H Gan, Mr Kenneth S Y Ng and Mr Michael W K Wu in the Shares of the Bank, if any, within the meaning of Part XV of the SFO as at 31 December 2019 have been disclosed in the section "Directors' and Alternate Chief Executives' Interests" of the Report of the Directors attached to the Bank's 2019 Annual Report.*
2. *Dr Raymond K F Ch'ien is an INED of HSBC; Ms Kathleen C H Gan is a Group General Manager and Head of Finance of HSBC Holdings; Mr Kenneth S Y Ng is a NED of HSBC Bank Australia Limited and Chairman of Board of Supervision of HSBC Bank (Vietnam) Ltd. HSBC has an interest in the Shares of the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO, details of which are disclosed in the section "Substantial Interests in Share Capital" of the Report of the Directors attached to the Bank's 2019 Annual Report.*
3. *Save as disclosed above, the Directors subject to re-election or election (as the case may be) (a) have not held any directorships in other publicly listed companies, whether in Hong Kong or overseas, during the last three years; (b) do not hold any other positions in the Bank or its subsidiaries; and (c) do not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Bank except that Dr Vincent H S Lo's niece is the spouse of Mr Michael W K Wu, an INED of the Bank.*
4. *All the Directors subject to re-election or election (as the case may be) will receive Directors' fees in the amounts approved from time to time by Shareholders at the AGMs of the Bank. The current amounts of Directors' fees have been determined with reference to market practices, Directors' workload and required commitment. A Director will also receive a fee for duties assigned to and services provided by him/her as Chairman or member of various Board Committees of the Bank. Such fees have been determined with reference to the Remuneration Policy of the Bank.*
5. *Details of the emoluments of the Directors on a named basis, including those Directors offering themselves for re-election or election (as the case may be), have been disclosed in Note 14 to the Bank's Financial Statements as contained in the Bank's 2019 Annual Report.*
6. *None of the Directors subject to re-election or election (as the case may be) have any service contracts with the Bank. The terms of appointment of NEDs (including INEDs) are three years except that where a NED (or an INED) has served on the Board for more than nine years, then his/her term of appointment is one year, renewable annually.*
7. *Save as disclosed above, none of the Directors subject to re-election or election (as the case may be) have any information which is required to be disclosed under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters relating to the re-election or election (as the case may be) of the Directors that need to be brought to the attention of the Shareholders.*
8. *Biographical details of Directors of the Bank are also available on the website of the Bank (www.hangseng.com).*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Hang Seng Bank Limited (the “Bank”) will be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on **Friday, 22 May 2020 at 3:30 pm** to transact the following businesses:

- (1) to receive and consider the audited financial statements and the Reports of the Directors and of the Auditor for the year ended 31 December 2019;
- (2) to re-elect or elect (as the case may be) the following Directors:
 - (a) Dr Raymond K F Ch’ien;
 - (b) Ms L Y Chiang;
 - (c) Ms Kathleen C H Gan;
 - (d) Mr Kenneth S Y Ng; and
 - (e) Mr Michael W K Wu;
- (3) to fix the remuneration of Non-executive Directors;
- (4) to re-appoint PricewaterhouseCoopers as auditor of the Bank and to authorise the Directors of the Bank to determine the remuneration of the auditor;

and to consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolutions:

- (5) **“THAT**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to buy-back shares of the Bank be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of the shares in the Bank which may be bought-back on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Bank;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by the Companies Ordinance (Cap. 622, Laws of Hong Kong) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”; and

(6) **“THAT**

- (a) subject to paragraph (c) of this Resolution and, pursuant to Section 141 of the Companies Ordinance, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to allot, issue and deal with additional shares of the Bank and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Bank during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Bank allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Bank pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Bank which carry rights to subscribe for or are convertible into shares of the Bank, or (iii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such schemes or similar arrangements of shares or rights to acquire shares of the Bank, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Bank in accordance with the Articles of Association of the Bank, shall not exceed, where the shares are to be allotted wholly for cash, 5% and in any event 20% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by the Companies Ordinance (Cap. 622, Laws of Hong Kong) to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given by this Resolution by ordinary resolution of the shareholders in general meeting;

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares in the Bank, open for a period fixed by the Directors of the Bank to holders of shares of the Bank or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By Order of the Board

C C Li
Secretary

18 April 2020

Notes:

- As set out in the Special Arrangements for the 2020 AGM (on page 1 of the Circular of which this Notice forms part), as Shareholders will not be permitted to attend the AGM in person, we strongly recommend all Shareholders complete and return the Proxy Form, appointing the chairman of the 2020 AGM as your proxy, to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 3:30 pm on Wednesday, 20 May 2020 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be). If you appoint a person other than the chairman of the 2020 AGM as your proxy, such proxy will not be permitted to attend the 2020 AGM in person and therefore will not be able to cast your vote at the AGM.*
- The Directors of the Bank have declared a fourth interim dividend of HK\$4.00 per share for 2019. The Register of Shareholders of the Bank was closed on 5 March 2020 for the purpose of ascertaining Shareholders' entitlement to the 2019 fourth interim dividend. The fourth interim dividend was paid on 20 March 2020 to Shareholders whose names appeared on the Register of Shareholders of the Bank on 5 March 2020.*
- Brief biographical details of all Directors who offer themselves for re-election or election (as the case may be) at the 2020 AGM are set out in Appendix II to the Circular dated 18 April 2020 of which this notice forms part.*
- In relation to agenda item no.3, the fees for the Bank's NEDs (including INEDs) were last increased in 2017. Given the significant increase in regulators' expectations and requirements, coupled with escalating requirements in areas such as corporate governance, risk management, internal control, conduct and culture, and financial crime compliance, and the ever more complicated operating environment, the role and responsibilities of Board and Board Committees have increased substantially, and therefore it is proposed that the fees payable by the Bank to the Chairman and the NEDs (including INEDs) be increased to HK\$860,000 (2017: HK\$650,000) per annum and HK\$660,000 (2017: HK\$500,000) per annum respectively with retrospective effect from 1 January 2020. No Directors' fees are payable to those Directors who are full time employees of the Bank or its subsidiaries.*
- Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the 2020 AGM. Article 67 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every share held by that Shareholder. As set out in the Special Arrangements for the 2020 AGM (on page 1 of the Circular of which this Notice forms part), as Shareholders will not be permitted to attend the AGM in person, we strongly recommend all Shareholders complete and return the Proxy Form, appointing the chairman of the 2020 AGM as your proxy.*

NOTICE OF ANNUAL GENERAL MEETING

6. *The Register of Shareholders of the Bank will be closed, for the purpose of determining Shareholders' entitlement to vote at the 2020 AGM, from Tuesday, 19 May 2020 to Friday, 22 May 2020 (both days inclusive), during which period no transfer of shares will be registered. To be entitled to vote at the 2020 AGM, all transfer documents, accompanied by the relevant share certificates, should be lodged with the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 pm on Monday, 18 May 2020.*
7. *If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force at any time between 12:00 noon and 5:00 pm on the day of the 2020 AGM, then the 2020 AGM will be postponed and the Shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Bank's website (www.hangseng.com) and the website of HKEx (www.hkexnews.hk).*

If Typhoon Signal No.8 or above or a Black Rainstorm Warning Signal is cancelled at or before 12:00 noon on the day of the 2020 AGM and, where conditions permit, the 2020 AGM will be held as scheduled.

The 2020 AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

8. *The Bank will adopt the following special arrangements at the 2020 AGM for the purpose of public health and safety:*
 - (a) *The AGM will be held with the minimum number of persons present as is legally required to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the meeting. The quorum will be formed by directors or other senior staff members who are Shareholders. No other Shareholder, proxy or corporate representative should attend the AGM in person. The chairman of the AGM will exercise his powers to exclude any person who attempts to do so, and they will not be permitted entry to the location of the AGM.*
 - (b) *There will be no distribution of gifts at the AGM and no refreshments will be served.*
 - (c) *All resolutions at the AGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the AGM by proxy. If you wish to vote on any resolution at the AGM, you must appoint the chairman of the AGM as your proxy to exercise your right to vote at the AGM in accordance with your instructions. If you appoint a person who is not the chairman of the AGM as your proxy that person will not be permitted entry to the meeting and will not be able to exercise your vote.*
 - (d) *A live webcast of the AGM can be accessed by going to <https://streamstudio.world-television.com/768-1411-23886/en-kontiki> on a computer, tablet or any browser enabled device. Please follow the instructions on the landing page on how to access the webcast. You will be able to access the live webcast from 2:30 pm on the day of the AGM until its conclusion.*
 - (e) *If you would like to submit a question on the business of the AGM in advance, please send your questions to the email account: agm.question@hangseng.com. You can also submit questions during the AGM through the webcast link provided. The Board will arrange for as many of the questions asked to be answered as possible at the AGM.*
9. *We are closely monitoring the impact of COVID-19 in Hong Kong. Should any changes be made to the AGM arrangements we will notify Shareholders via an announcement posted on the Bank's website (www.hangseng.com) and the website of HKEx (www.hkexnews.hk).*
10. *As at the date hereof, the Board of Directors of the Bank comprises Dr Raymond K F Ch'ien* (Chairman), Ms Louisa Cheang (Vice-Chairman and Chief Executive), Dr John C C Chan*, Mr Nixon L S Chan#, Ms L Y Chiang*, Ms Kathleen C H Gan#, Ms Margaret W H Kwan, Ms Irene Y L Lee*, Dr Eric K C Li*, Dr Vincent H S Lo#, Mr Kenneth S Y Ng#, Mr Peter T S Wong# and Mr Michael W K Wu*.*

* *Independent Non-executive Directors*

Non-executive Directors

THIS CIRCULAR in both English and Chinese is now available in printed form and on the Bank's website (www.hangseng.com) and HKEx's website (www.hkexnews.hk). Shareholders who:

- (a) browse this Circular on the Bank's website and wish to receive a printed copy; or
- (b) receive this Circular in either English or Chinese version and wish to receive a printed copy in the other language version,

may send a completed request form, which can be obtained from the Bank's Registrar or downloaded from the Bank's website (www.hangseng.com) or HKEx's website (www.hkexnews.hk), to the Bank's Registrar:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East Wanchai, Hong Kong
Email: hangseng@computershare.com.hk

If Shareholders who have chosen (or are deemed to have chosen) to read this Circular on the Bank's website have difficulty in reading or gaining access to this Circular via the Bank's website for any reason, the Bank will promptly send this Circular in printed form free of charge upon the Shareholders' request.

Shareholders may change their choice of means of receipt or language of the Bank's future corporate communications at any time, free of charge, by giving the Bank c/o the Bank's Registrar reasonable notice in writing or by email to hangseng@computershare.com.hk.



恒生銀行有限公司
Hang Seng Bank Limited
Incorporated in Hong Kong with limited liability
Registered Office and Head Office: 83 Des Voeux Road Central, Hong Kong

Member HSBC Group

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