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If you are in any doubt as to any aspect of this Circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hang Seng Bank Limited, you should at once hand this Circular and the accompanying Form of Proxy 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 TO BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS AND
REMUNERATION OF NON-EXECUTIVE DIRECTORS
AND
NOTICE OF 2017 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 2017 AGM of the Bank to be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Friday, 12 May 2017 at 3:30 pm, at which, among other things, the proposals relating to general mandates to issue Shares and to buy-back Shares of the Bank will be considered, is set out on pages 16 to 20 of this Circular.

Whether or not you intend to attend the 2017 AGM, you are requested to complete and return the Form of 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, 10 May 2017 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be). Such Form of Proxy can also be downloaded from the Bank's website (www.hangseng.com) or HKEx's website (www.hkexnews.hk.) Submission of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the 2017 AGM.

28 March 2017

DEFINITIONS

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

“2017 AGM”	the annual general meeting of the Bank to be held on Friday, 12 May 2017 at 3:30 pm at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong or any adjournment 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”	17 March 2017, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein

DEFINITIONS

“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)”	the Ordinary Share(s) of the Bank
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers

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 Rose W M Lee JP, *Vice-Chairman and Chief Executive*
Dr John C C Chan GBS, JP^{*}
Mr Nixon L S Chan[#]
Mr Patrick K W Chan
Dr Henry K S Cheng GBS^{*}
Ms L Y Chiang JP^{*}
Mr Andrew H C Fung JP
Dr Fred Zulu Hu^{*}
Ms Irene Y L Lee^{*}
Ms Sarah C Legg[#]
Dr Eric K C Li GBS, OBE, JP^{*}
Dr Vincent H S Lo GBS, JP[#]
Mr Kenneth S Y Ng[#]
Mr Richard Y S Tang SBS, JP^{*}
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*

28 March 2017

To the Shareholders

Dear Sir or Madam

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE SHARES AND TO BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS AND
REMUNERATION OF NON-EXECUTIVE DIRECTORS
AND
NOTICE OF 2017 AGM**

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 Directors; and (c) fix the remuneration of NEDs, and to provide you with information in connection with the same. Shareholders' approval of such proposals will be sought at the 2017 AGM.

LETTER FROM THE CHAIRMAN

GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

Similar to the AGM of the Bank held on 6 May 2016, ordinary resolutions will be proposed at the 2017 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 2017 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 2016 AGM will lapse upon conclusion of the 2017 AGM, unless being renewed at the 2017 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 OF DIRECTORS

At the 2017 AGM, Dr Raymond K F Ch'ien, Mr Nixon L S Chan, Ms L Y Chiang, Ms Sarah C Legg, Mr Kenneth S Y Ng and Mr Michael W K Wu will retire as Directors by rotation in accordance with Articles 99 and 100 of the Articles of Association. All the aforesaid Directors, being eligible, will offer themselves for re-election.

Particulars of the above-mentioned Directors offering for re-election at the 2017 AGM are set out in **Appendix II** to this Circular.

The Bank's Nomination Committee, which comprises a majority of INEDs, considers Dr Raymond K F Ch'ien, Mr Nixon L S Chan, Ms L Y Chiang, Ms Sarah C Legg, Mr Kenneth S Y Ng and Mr Michael W K Wu continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee has nominated and the Board has recommended the aforesaid retiring Directors to stand for re-election as Directors at the 2017 AGM.

LETTER FROM THE CHAIRMAN

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 has affirmed that all INEDs, including Dr Raymond K F Ch'ien, Ms L Y Chiang and Mr Michael W K Wu, remain independent.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The current scale of NEDs' fees of the Bank, which is HK\$590,000 per annum for Chairman and HK\$450,000 per annum for other NEDs (including INEDs), was recommended by the Board and approved by the Shareholders at the Bank's AGM held on 16 May 2013.

Having regard to the complexity of business operations, and the ever more demanding regulatory requirements and industry best practices applicable to the Bank which have significantly expanded the responsibilities and commitments of the Bank's NEDs in discharging their roles and responsibilities, a resolution will be proposed under Agenda Item No. 3 at the 2017 AGM to increase the fees payable by the Bank to its Chairman and the other NEDs to HK\$650,000 per annum and HK\$500,000 per annum respectively. If approved by the Shareholders, the proposed increase in the fees payable to the Chairman and the other NEDs will become effective retrospectively as from 1 January 2017.

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.

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

- (a) the time and effort that a NED has to spend in discharging his/her duties to the Bank; and
- (b) 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.

LETTER FROM THE CHAIRMAN

NEW AUDITOR'S REPORT

PricewaterhouseCoopers, the Bank's external auditor, has issued an Auditor's Report which included an unqualified opinion in respect of the Bank's consolidated financial statements for the year ended 31 December 2016. The Auditor's Report is prepared in accordance with the new auditor reporting standards issued by the Hong Kong Institute of Certified Public Accountants which require the communication of key audit matters for listed entities. The purpose of communicating key audit matters is to enhance the communicative value of the Auditor's Report by providing greater transparency about matters of most significance in the audit that was performed and how those matters were addressed in the context of the audit of the consolidated financial statements as a whole. Representative from PricewaterhouseCoopers will read a summary version of the Auditor's Report at the 2017 AGM. Shareholders are kindly referred to the full Auditor's Report incorporated in the Bank's 2016 Annual Report for further details.

POLL VOTING AT THE 2017 AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2017 AGM will be decided by poll at the 2017 AGM. The Chairman of the 2017 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. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the 2017 AGM.

RECOMMENDATION

The Board believes that the proposed general mandate to issue Shares and the Share Buy-back Mandate, re-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 2017 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 2017 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 2017 AGM until the conclusion of the next AGM to be held in 2018.

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 2016) 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, or have 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, save 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 March 2017 up to the Latest Practicable Date, were as follows:

	Highest HK\$	Lowest HK\$
2016		
March	137.40	128.05
April	144.50	133.20
May	141.40	131.80
June	142.00	127.60
July	139.40	131.00
August	139.50	133.00
September	140.80	134.70
October	143.00	138.10
November	148.50	136.20
December	150.00	142.10
2017		
January	158.90	144.30
February	164.40	156.60
1 to 17 March (made up to the Latest Practicable Date)	163.60	155.90

Particulars of the retiring Directors subject to re-election at the 2017 AGM are set out below:

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

Aged 65

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
Economic Development Commission of HKSAR Government – Non-official Member
Federation of Hong Kong Industries – Honorary President

^ **Swiss Re Limited** – Independent Non-executive Director

The Hongkong and Shanghai Banking Corporation Limited –
Independent Non-executive Director

The Tianjin Municipal Committee of the Chinese People's Political Consultative Conference –
Member of Standing Committee

Past major appointments

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)

Mr Nixon L S CHAN
Non-executive Director

Aged 64

Joined the Board since January 2014

Other major appointment

Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal – Member

Past major appointments

Employers' Federation of Hong Kong –

Chairman of Banking and Financial Services Group (2013 – 2016)

EPS Company (Hong Kong) Limited – Director (2011 – 2016)

^Hang Seng Bank Limited –

Executive Director (2014 – 2016)

Head of Retail Banking and Wealth Management (2011 – 2016)

Member of Executive Committee (2009 – 2016)

Head of Corporate and Commercial Banking (2009 – 2011)

Hang Seng Management College – Governor (2010 – 2016)

Hang Seng School of Commerce – Director (2009 – 2016)

TransUnion Limited – Director (2011 – 2016)

MasterCard Asia/Pacific Advisory Board – Director (2012 – 2015)

Small and Medium Enterprises Committee – Member (2009 – 2014)

The Hongkong and Shanghai Banking Corporation Limited –

Senior Executive, Commercial Banking (2005 – 2009)

Held various senior positions in commercial banking and personal financial services (1993 – 2005)

Qualification

Bachelor's Degree in Business Administration – The University of Hawaii, USA

Ms L Y CHIANG JP

Independent Non-executive Director

Aged 51

Joined the Board since September 2010

Other position held within Hang Seng Group

^ **Hang Seng Bank Limited** – Member of Remuneration Committee

Other major appointments

Justice of the Peace

Aviation Development and Three-runway System Advisory Committee – Member

^ **Chen Hsong Holdings Limited** – Executive Director; Chief Executive Officer

Chen Hsong Investments Limited – Director

China Shenzhen Machinery Association – Vice-President

Federation of Shenzhen Industries – Vice-Chairman

Hospital Authority – Board Member

The Hong Kong University of Science and Technology – Member of the Court

The Shenzhen Committee of the Chinese People's Political Consultative Conference –
Member of Standing Committee

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

Past major appointments

Directorate Salaries and Conditions of Service of HKSAR Government –

Member of Standing Committee (2008 – 2014)

The Hong Kong University of Science and Technology – Member of the Council (2006 – 2012)

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 Sarah C LEGG

Non-executive Director

Aged 49

Joined the Board since February 2011

Other major appointments

^HSBC Holdings plc – Group General Manager; Group Financial Controller
The Hong Kong Society for Rehabilitation – Honorary Vice-President

Past major appointments

The Hong Kong Association of Banks –

Acting Chairman (2015)

Chairman of the Basel Implementation Committee (2012 and 2015)

The Hong Kong Society for Rehabilitation –

Honorary Treasurer (2006 – 2015)

The Hongkong and Shanghai Banking Corporation Limited –

Alternate Chief Executive (2010 – 2015)

Chief Financial Officer (2010 – 2015)

Chief Accounting Officer (2006 – 2010)

HSBC Bank (Taiwan) Limited – Director (2011 – 2015)

HSBC Securities Investments (Asia) Limited – Director (2006 – 2015)

HSBC Bank Bahamas Limited – President (2010 – 2014)

HSBC Markets (Bahamas) Limited – President (2010 – 2014)

HSBC Asia Holdings BV – Director (2011 – 2013)

^HSBC Holdings plc –

Senior Manager, Finance Transformation (2003 – 2006)

HSBC Bank plc –

Head of Product Control, Global Banking and Markets (1999 – 2003)

Qualifications

Master of Arts – King’s College, Cambridge University, UK

Fellow – Chartered Institute of Management Accountants

Fellow – Association of Corporate Treasurers

Mr Kenneth S Y NG
Non-executive Director

Aged 66

Joined the Board since March 2014

Other major appointments

Competition Tribunal Users' Committee of HKSAR Government – Member

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

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

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

The University of Hong Kong –

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

Past major appointments

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 46

Joined the Board since September 2010

Other positions held within Hang Seng Group

^ **Hang Seng Bank Limited** – Member of Audit Committee; Member of Nomination 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 Hong Kong University of Science and Technology – Member of the Council

The University of Hong Kong – Member of the Court

Past major appointments

The Community Chest of Hong Kong –

Board Member (2010 – 2016)

Member of Executive Committee (2012 – 2016)

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, Mr Nixon L S Chan, Ms L Y Chiang, Ms Sarah C Legg, 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 2016 have been disclosed in the section "Directors' and Alternate Chief Executives' Interests" of the Report of the Directors attached to the Bank's 2016 Annual Report.*
2. *Dr Raymond K F Ch'ien is a Director of HSBC; Ms Sarah C Legg is the Group General Manager and Group Financial Controller of HSBC Holdings. HSBC has an interest in the Shares of the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO, the details of which are disclosed in the section "Substantial Interests in Share Capital" of the Report of the Directors attached to the Bank's 2016 Annual Report.*
3. *Save as disclosed above, the retiring Directors (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 Mr Michael W K Wu's spouse is the niece of Dr Vincent H S Lo, a NED of the Bank.*
4. *All the retiring Directors 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. Subject to Shareholders' approval at the 2017 AGM, the fees of the Chairman and the other NEDs (including INEDs) would be revised. For details, please refer to Note 4 of the Notice of AGM.*
5. *The details of emoluments of the retiring Directors on a named basis are disclosed in Note 16 to the Bank's Financial Statements as contained in the Bank's 2016 Annual Report.*
6. *All the retiring Directors offering for re-election have provided valuable advice and contributed their respective experience and expertise both at and outside board/committee meetings. They have also given independent guidance to the Bank and the Board Committees over the years. Their re-election will continue to enhance the governance and oversight of the Bank at both the Board and the Board Committee levels.*
7. *None of the retiring Directors 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.*
8. *Save as disclosed above, none of the retiring Directors 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 of the retiring Directors that need to be brought to the attention of the Shareholders.*
9. *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, 12 May 2017 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 2016;
- (2) to re-elect the following retiring Directors:
 - (a) Dr Raymond K F Ch’ien;
 - (b) Mr Nixon L S Chan;
 - (c) Ms L Y Chiang;
 - (d) Ms Sarah C Legg;
 - (e) Mr Kenneth S Y Ng; and
 - (f) 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

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

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 to be held; and
- (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

28 March 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. *A Shareholder entitled to attend and vote at the 2017 AGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of the Shareholder. A proxy needs not also be a Shareholder of the Bank.*
2. *The Directors of the Bank have declared a fourth interim dividend of HK\$2.80 per share for 2016. The Register of Shareholders of the Bank was closed on 8 March 2017 for the purpose of ascertaining Shareholders' entitlement to the 2016 fourth interim dividend. The fourth interim dividend will be payable on 28 March 2017 to Shareholders whose names appeared on the Register of Shareholders of the Bank on 8 March 2017.*
3. *Brief biographical details of all Directors who offer themselves for re-election at the 2017 AGM are set out in Appendix II to the Circular dated 28 March 2017 of which this notice forms part.*
4. *In relation to Agenda Item No.3, the fees for the Bank's NEDs (including INEDs) were last increased in 2013. Having regard to the complexity of business operations, and the ever more demanding regulatory requirements and industry best practices applicable to the Bank which have significantly expanded the responsibilities and commitments of the Bank's NEDs in discharging their roles and responsibilities, it is proposed that the NEDs' fees be increased. The fees of the Chairman and the other NEDs (including INEDs) are proposed to be increased to HK\$650,000 (2013: HK\$590,000) per annum and HK\$500,000 (2013: HK\$450,000) per annum respectively with effect from 1 January 2017. No Directors' fees are payable to those Directors who are full time employees of the Bank or its subsidiaries.*
5. *Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the 2017 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. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the 2017 AGM.*
6. *The Register of Shareholders of the Bank will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the 2017 AGM, from Tuesday, 9 May 2017 to Friday, 12 May 2017 (both days inclusive), during which period no transfer of shares will be registered. To be entitled to attend and vote at the 2017 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, 8 May 2017.*

NOTICE OF ANNUAL GENERAL MEETING

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 2017 AGM, then the 2017 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 2017 AGM, and where conditions permit, the 2017 AGM will be held as scheduled.

The 2017 AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

Shareholders should decide on their own whether they would attend the 2017 AGM under bad weather conditions bearing in mind their own situations and, if they do so, they are advised to exercise care and caution.

8. *As at the date hereof, the Board of Directors of the Bank comprises Dr Raymond K F Ch'ien* (Chairman), Ms Rose W M Lee (Vice-Chairman and Chief Executive), Dr John C C Chan*, Mr Nixon L S Chan#, Mr Patrick K W Chan, Dr Henry K S Cheng*, Ms L Y Chiang*, Mr Andrew H C Fung, Dr Fred Zulu Hu*, Ms Irene Y L Lee*, Ms Sarah C Legg#, Dr Eric K C Li*, Dr Vincent H S Lo#, Mr Kenneth S Y Ng#, Mr Richard Y S Tang*, 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
Facsimile: (852) 2529 6087
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