TRUSTEE GOVERNANCE REPORT FOR THE SCHEME YEAR ENDING 31 DECEMBER 2025

INTRODUCTION

The Scheme is a defined contribution pension scheme specifically designed to assist HSBC International Managers to invest their retirement savings. It was established under section 615(6) of the Income & Corporation Taxes Act 1988 and offers special tax treatment for members. The Scheme was closed to new members from 1 September 2009 and closed to new contributions from existing members from 6 April 2017. The Trustee confirms that the Scheme is not being used as a qualifying scheme for automatic enrolment purposes.

The Trustee is responsible for looking after the money members have invested in this Scheme. This annual statement from the Trustee for the period from 1 January 2025 to 31 December 2025 (the "Scheme Year") confirms that:

1. Returns on investments (net of charges and transaction costs) for the investment arrangements of the Scheme have broadly performed in line with expectations but some funds have underperformed against their benchmark and the Trustee is monitoring these closely.
2. Core member financial transactions were processed promptly and accurately.
3. Charges and transaction costs borne by members are disclosed.
4. The Trustee has kept its knowledge and understanding of the Scheme and pensions matters up-to-date and, together with advice received from its advisers, this enables the Trustee to properly exercise its functions.

The rest of this statement outlines in more detail the Trustee's management of the Scheme and the basis for the above statements.

FOR THE RECORD

Some occupational pension schemes are required to prepare an annual governance statement pursuant to regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715).

However, the Trustee is not required to prepare an annual governance statement in respect of the Scheme because it is not considered a "relevant scheme" for the purposes of the statutory requirements,

Notwithstanding this, the Trustee has decided to prepare and publish a governance report to ensure that members are kept informed of certain governance matters.

NOTIFICATION TO MEMBERS REGARDING THE PUBLICATION OF THIS STATEMENT

The Trustee has published relevant parts of this Trustee Governance Report online. A full copy of this report for the Scheme Year, including the current Statement of Investment Principles (SIP), is available at: https://www.zioinfosite.com/en/hsbc2020

In the annual benefit statements for the year ending 31 December 2025 issued on 20 March 2026, Scheme members were directed to the above online microsite for this purpose.

Jennifer Adams
TRUSTEE DIRECTOR **Date 31.07.2026**
Chair of Trustee

1. INVESTMENT ARRANGEMENTS

Details of the Scheme's investment arrangements are set out in the Scheme's Statement of Investment Principles ("SIP"). The SIP in force at the start of the Scheme Year was approved by the Trustee in September 2024. However, this SIP was updated by the Trustee after this Scheme Year end and the current SIP was approved by the Trustee on 2 February 2026. The current SIP is included as part of this report as an Appendix. A copy of the current SIP can also be accessed via this link: https://www.zioinfosite.com/en/hsbc2020 Any reference to the SIP in this report is referring to the latest SIP dated 2 February 2026.

Where the term "default arrangement" is used in this report, it is intended to refer to default arrangements as defined in regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996.

Willis Towers Watson ("WTW") was the appointed investment adviser for the Scheme year and provided the Trustee with advice and analysis on the investment funds and their ongoing suitability for members. The Trustee may from time to time replace, add or remove funds from the options available to members, based on advice from its advisers. The SIP outlines the decision-making process followed in respect of any such changes.

Members have a wide range of investment funds to choose from, offering a mix of currencies, asset classes and investment styles (active and passive), managed by a variety of specialist investment managers. This allows members, who are spread across many countries across the world, to build customised retirement investment strategies to suit their circumstances.

Investment arrangements

The Trustee takes advice from its professional adviser, WTW, when reviewing the investment arrangements. Based on the Trustee's investment beliefs, the Trustee asked WTW to consider Environmental, Social and Governance (ESG) financial factors and stewardship (including voting rights and engagement activities for underlying holdings) in the Scheme's Lifestyle Strategy option design and fund selection. These are important financial and risk factors for future member outcomes.

Most members of the Scheme currently select their investment options from a range of self-select funds but a Lifestyle Strategy option is also available.

Members can either invest in the Lifestyle Strategy option or the self-select fund range but cannot invest in both at the same time within the same policy (contribution type). However, members can hold the Legal & General Diversified Fund alongside other self-select fund range options at the same time.

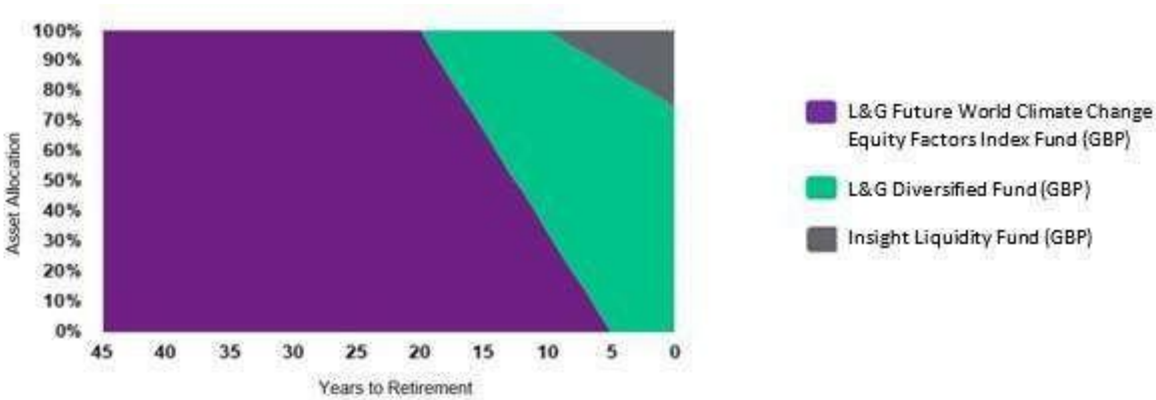
1.1 Self-select funds

The Trustee's policy is to seek to achieve the above objectives by providing a range of funds which together offer a suitable mix of assets. A range of equity funds is available for those members willing to accept a greater level of volatility in pursuit of higher expected returns in the longer term. Bond and cash funds are also offered for those members who are less comfortable with the likely volatility of the equity funds. Where members do not wish to 'blend' the fund choice themselves, a more diversified multi-asset fund choice is also available. Funds are available in the range of core global currencies: USD, GBP and Euro. The range of self-select funds available is set out in the SIP in Appendix 1.

1.2 Lifestyle Strategy option

The Lifestyle Strategy option is intended to ensure that assets are invested in the best interests of members, providing members with exposure to an appropriate balance of investment risk and return which is adjusted over time, as retirement approaches.

The Lifestyle Strategy option is designed so that members who do not choose to actively manage their own investments are not unduly exposed to risk, including inflation risk, conversion risk or capital risk. The SIP sets out the Trustee's policies in relation to the kinds of investments that should be held, risks (including how these are measured and managed) and the expected return on investments.
The changes in fund mix as retirement approaches is set out in the diagram below, and the precise mix of funds shown in the table that follows:



Years to Selected Retirement Age	L&G Future World Climate Change Equity Factors Index Fund (GBP) (%)	L&G Diversified Fund (GBP) (%)	Insight Liquidity Fund (GBP) (%)
Greater or equal to 20 years	100.0	0.0	0.0
19 years	93.3	6.7	0.0
18 years	86.7	13.3	0.0
17 years	80.0	20.0	0.0
16 years	73.3	26.7	0.0
15 years	66.7	33.3	0.0
14 years	60.0	40.0	0.0
13 years	53.3	46.7	0.0
12 years	46.7	53.3	0.0
11 years	40.0	60.0	0.0
10 years	33.3	66.7	0.0
9 years	26.7	70.8	2.5
8 years	20.0	75.0	5.0
7 years	13.3	79.2	7.5
6 years	6.7	83.3	10.0
5 years	0.0	87.5	12.5
4 years	0.0	85.0	15.0
3 years	0.0	82.5	17.5
2 years	0.0	80.0	20.0
1 year	0.0	77.5	22.5
0 years	0.0	75.0	25.0

1.3 Legal & General Diversified Fund (GBP) – default fund

A default fund – the Legal & General Diversified Fund (GBP) – was created in December 2021 through the mapping of member balances from a legacy diversified growth fund. The objective of the LGIM Diversified Fund (GBP) is to achieve long-term capital growth with lower risk than investing in global equities.

The Trustee is satisfied that this fund is a suitable arrangement for members, forming part of the overall self-select fund range which provides members access to assets with a range of risk and expected return characteristics.

1.4 Review of investment performance

The performance of all investment arrangements available in the Scheme is monitored by the Trustee using six- monthly investment reports provided by the Scheme's appointed Investment Consultant, WTW. The investment reports provide details of the funds used within the Scheme, covering past performance, and providing comparisons to the appropriate benchmarks of the individual funds. A benchmark is an index (e.g. the FTSE 100 index) against which the performance of a fund may be measured.

The key areas covered in the reports are:

- Investment market background;
- Analysis of the funds used by the Scheme's members;
- Fund performance and risks/volatility over a standard set of time periods, both short and longer term; and
- Report of funds underperforming their benchmark and their comparable peers.

WTW provides its opinion on the performance of the investment arrangements and their continued suitability to the Scheme for the consideration of the Trustee, based on the SIP.

During the Scheme Year, the Trustee has taken into account the reports received from WTW and the impact of performance on different groups of members and is content that performance is broadly in line with the aims and objectives of the investment arrangements offered by the Scheme, as set out in the SIP and summarised above, for all groups. However, the performance of some funds against their benchmark during the Scheme Year has been negative and the Trustee continues to keep investment performance under review.

1.5 Review of investment fund range

A detailed review of the Scheme's investment fund range, including the Lifestyle Strategy fund, was carried out during the Scheme Year ending 31 December 2024. The review concluded that the Lifestyle Strategy fund remained appropriate for members' needs and was therefore not changed.
After the 2024 Scheme year end, the BlackRock iShares Developed Real Estate Index Fund (GPB) and the BlackRock iShares ESG Screened Global Corporate Bond Index Fund (GBP, EUR and USD) were added to the fund range.

The PIMCO GIS Investment Grade Credit Fund (GBP, EUR and USD) was formally removed from the fund range in October 2025 with all funds being mapped to the appropriate BlackRock iShares funds.

2. PROCESSING OF CORE FINANCIAL TRANSACTIONS

Zurich International Life Limited ("Zurich") is the Scheme's administrative practitioner and investment platform
provider.

Member record keeping duties are delegated to Zurich by the Trustee. The Trustee has service level agreements ("SLA") in place with Zurich which cover the required accuracy and timeliness of the processing of all core member financial transactions and queries. The SLAs are outlined below.

Service description	Target for completion (days)
General Servicing	3
Lifestyle Strategy Changes	10
Withdrawals	5-7
Complaints	2-5
Zurich International online site queries	3-5

SLA performance over the Scheme Year across all the above items was as follows:

Q1 2025	Q2 2025	Q3 2025	Q4 2025
100%	92.86%	100%	84.62%

As can be seen from the table above, Q2, and Q4 2025 SLA performance was lower than that of Q1 2025 and Q3 2025 but the Trustee closely monitored the processing of core financial transactions of the Scheme over the Scheme Year via Zurich's quarterly administration reports and was satisfied that, overall, core financial transactions were processed promptly and accurately during the reporting period.
Since the Scheme is closed to new members and contributions, these transactions include fund switches, transfers out of the Scheme, lifestyle strategy adjustments and other payments from the Scheme to, or in respect of, members or beneficiaries.
Zurich provides feedback received from members via their quarterly governance/stewardship reports to the Trustee. They also have a quality assurance and controls team in place which checks the work carried out by the servicing team.

3. MEMBER CHARGES AND TRANSACTION COSTS

Charges in relation to the administration of the Scheme are incurred by the Scheme administrator and are borne solely by the employer, together with any applicable statutory levies. In addition, all costs associated with the Trustee's exercise of its duties, including fees payable to their legal, investment, taxation and other advisers consulted in governing the Scheme are also borne solely by the employer.
Investment management fees deducted from the funds by the investment managers are borne by the Scheme members. These are the explicit charges of the funds and they vary depending on the type of investments held.
Transaction costs are the costs incurred at the investment level by the investment managers within the funds on
the Scheme's investment menu.

In order to meet each fund's investment objective, it will sometimes be necessary to buy and sell underlying investments. In doing so, the fund may need to pay broker commissions and transfer taxes (such as stamp duty reserve tax (SDRT)). In the case of shares, broker commissions and transfer taxes are paid by the fund on each transaction. In the case of fixed income securities such as bonds, transaction costs are incurred indirectly through what is known as the dealing spread – the difference between the prices paid to buy and sell the underlying investments in the fund.

Comparing the portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of investment.

- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered by investors over time.

Transaction costs are a necessary part of buying and selling a fund's underlying investments, to achieve their investment objective. More detail on the costs and charges relating to the funds are set out in Appendix 2 of this report.

4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Pensions Act 2004 requires trustees and trustee directors of corporate trustee companies to:

(a) have sufficient knowledge and understanding of pensions and trust law and the principles relating to the funding and investment of occupational schemes; and

(b) be conversant with their scheme's documentation (including the trust deed and rules, the SIP and other documents setting out the trustees' current policies).

The Pensions Regulator published a General Code of Practice (the "General Code") effective 28 March 2024, which outlines expectations and requirements as regards to trustee knowledge and understanding. This section of the statement sets out how the requirements for knowledge and understanding have been met during the Scheme Year.

Independent Trustee Services Limited (ITS Limited) is the sole corporate trustee of the Scheme. The lead and second directors of ITS Limited who work on the Scheme are accredited by the Association of Professional Pension Trustees (APPT) as professional trustees. Accreditation is renewed annually pending evidence of adherence to the APPT professional requirements, including codes of conduct, training, and adherence to fit and proper standards. Of note is the requirement to follow the Code of Practice for Professional Corporate Sole Trustee appointments.

The Trustee maintains a working knowledge of the trust deed and rules, SIP and policies that guide the operation of the Scheme and consults the relevant documents regarding their specific application as the need arises.

The Trustee stays updated with developments relating to the investment of occupational schemes and pensions and trust law more generally. It receives regular training from its advisers, in particular in relation to investments. Due to the nature of the Scheme and its operation under section 615(6) of the Income & Corporation Taxes Act 1988, the Trustee takes legal advice to determine the application of general regulatory changes in relation to this Scheme.

5. LOOKING AHEAD

New issues come along continually, from additional regulatory compliance requirements to external factors, and the Trustee's calendar must be sufficiently flexible to respond to contingencies. The Trustee continues to follow guidance provided by the Pensions Regulator and remains in continuous dialogue with the Scheme's sponsor, administrators and advisers to monitor members' investments, particularly in light of ongoing worldwide conflicts, and the associated investment market volatility. Members have been provided with relevant and updated information on their online pension account, where they can review their investment strategy at their convenience.