



**HSBC HOLDINGS PLC**  
**GROUP TECHNOLOGY COMMITTEE**

**Approved by the Board on 25 January 2024**

**Terms of Reference**

**1. Purpose**

The Board of HSBC Holdings plc has delegated responsibility to the Group Technology Committee (the “Committee”) to support the Board in fulfilling its responsibility with respect to oversight of HSBC Group’s technology strategy and alignment with the overall HSBC Group strategy, including Global Business and Global Function priorities. Recognising that technology enables and interacts with all areas of the Bank, the Committee will specifically focus on key areas where technology is fundamental to strategic delivery, including: innovation; data; and cyber risk frameworks, and regulatory expectations in relation thereto. The Committee will also consider the adequacy and effectiveness of technology resourcing, including leadership and capability.

Oversight of operational risk management and controls, including the risk management framework and risk appetite, remain the remit of the Group Risk Committee (“GRC”) and the work of the Committee will complement those responsibilities. Where appropriate, specific topics may also be referred to the GRC and/or Group Audit Committee (“GAC”) or joint meetings held.

**2. Membership**

The Committee (including the Chair) will comprise of at least three members, all of whom shall be independent non-executive directors.

The Chair of the Committee shall be appointed by the Board.

**3. Attendance**

Only members have the right to attend Committee meetings. Any other person can attend, by invitation of the Chair for the whole or part of the meeting.

#### **4. Meetings and quorum**

The Committee shall meet with sufficient notice and with such frequency and at such times as it may determine.

The quorum for meetings is two members, including the Chair or their delegate from among the members.

The Secretary of the Committee is the Group Company Secretary and Chief Governance Officer (or their nominee).

#### **5. Responsibility of the Chair**

The Chair's role requires:

- Fostering an open, inclusive and, where appropriate, challenging discussion;
- Ensuring the Committee has the information necessary to perform its tasks and devotes sufficient time and attention to the matters within its remit;
- Facilitating the running of the Committee to assist it in providing independent oversight of executive decisions; and
- Reporting and making recommendations to the Board on the Committee's activities.

#### **6. Areas of responsibility**

The Committee's responsibilities shall include:

##### **6.1 Technology Strategy**

To review, challenge and make recommendations to the Board on technology strategy and related matters, including:

- the planning and execution of HSBC's technology strategy ensuring this is sustainable and aligned with Group business strategy, Global Business and Global Function priorities, and regulatory expectations;
- the demise / decommissioning / sunseting of technology systems and the development of HSBC's future state architecture, ensuring the delivery of business services and plans are aligned with the delivery of sustainable core infrastructure, with a clear understanding of challenges, timing, interdependencies and potential trade-offs;
- consideration of technology performance against quantifiable metrics and measures to assess progress against agreed objectives, individual and collective

risks, including any thematic risks that may arise, alerting the GRC and escalating to the Board, as appropriate;

- significant technology investments and expenditures in support of delivery of the strategy;
- technology innovation initiatives, including opportunities and risks arising from automation, processes, and other technology related products and concepts, including in areas such as Artificial Intelligence (“AI”) (generative and advanced) and digital assets, and how these might be leveraged in support of the Group strategy;
- the scope, planning and execution of major technology transformation and remediation programmes, including any required investment and implementation of the recommendations of any internal or external third party review;
- identification of key threats and opportunities resulting from emerging regulatory developments and external or industry trends, which may impact strategy; and
- strategy with respect to third parties, outsourcing and offshoring, as they pertain to technology.

## **6.2 Data Strategy and Framework**

The Committee will assist the Board with oversight of the technical aspects of HSBC’s data strategy and framework, and will review and make recommendations in relation to the:

- technical strategy, execution, implementation and embedding of the data target operating model across HSBC;
- investment in, and execution of key data programmes and remediation activities (including the data requirements of HSBC’s Regulatory Excellence programme), ensuring alignment of core business processes and data collection standards; and
- enhancement of data quality across existing data assets; developing tools and processes to support trusted data source capabilities and the demise of legacy data assets and services.

The Committee will provide oversight of the technical strategy and implementation of HSBC’s data architecture and execution, while the GRC will provide the overview of appropriate data collection, use and regulatory compliance.

## **6.3 Cyber Security**

The Committee will assist the Board with oversight of cybersecurity, specifically:

- planning and implementation of HSBC’s cybersecurity strategy and operating model, including ongoing enhancements and any required investment;

- investment and execution of key cybersecurity programmes;
- review and input to Board and executive playbooks and/or firedrills, ensuring that these are informed by applicable cyber incidents; and
- third-party management policies, practices and standards that relate to cybersecurity.

#### **6.4 Resource and Capability**

The Committee will monitor the development of a consistent approach and strategy for talent management and workforce planning for all technology related resource, including the consideration of key management appointments, capability and adequacy of resource, all aligned to the wider workforce strategy.

#### **7. Coordination with Management and other Board and Subsidiary Committees**

The Committee will coordinate with management and other committees of the Board (including holding joint sessions as needed) to help ensure that the committees have received the information necessary to permit them to fulfil their duties and responsibilities with respect to oversight of risk management, internal controls, and risk assessment guidelines and policies.

The Committee will promote connectivity with the Principal Subsidiaries, through the timely escalation and cascade of information, and inviting attendance at meetings where considered appropriate.

#### **8. Other Responsibilities**

In discharging its responsibilities as set out above, the Committee will:

- review significant risk management regulatory reports and findings of regulators, as applicable to the mandate of the Committee, including management's remediation plans and progress against such plans, liaising with other Board Committees and regulators as appropriate;
- seek opinion and assurance from Risk and Internal Audit to validate management's plans and progress relative to internal and regulatory expectation, including consideration of testing plans, audits, reviews and associated outcomes;
- monitor the effectiveness of delivery of technology and data plans against agreed strategy, including from a timing and cost efficiency perspective;
- review and advise the GRC, the Group Remuneration Committee and/or the Board on risk adjustment of performance and remuneration, related to technology and data;
- consider whether external advice on technology matters should be taken, in particular, to challenge analysis undertaken and assessments made by the Committee and management. Where it is deemed necessary, the Committee is authorised by the Board to obtain such professional external advice.

## **9. Operation of the Committee**

The Committee will:

- Meet with key attendees of the Technology Management team regularly.
- Meet with the Group Chief Risk & Compliance Officer and Global Head of Internal Audit, without management present, at least twice annually.
- Review these terms of reference and its own effectiveness annually, as well as the quality of information it receives and recommend any necessary changes.
- Report to the Board on the matters set out in these terms of reference, how the Committee has discharged its responsibilities and make recommendations on action needed to resolve concerns or make improvements.
- Give due consideration to the laws and regulations of all applicable jurisdictions and regulators.