



Mr P Lisewski
Cloudsoft Limited
Level 2
40 Gledstones Road
Barons Court
London
W14 9HU

374/01208
01/00297449



October 2016

Dear Customer

Important Information: changes to our Business Banking Terms and Conditions, Business Banking Price List, Business Banking Made Easy brochure and some of our Additional Conditions with effect from 12 December 2016

We're making some changes to our terms and conditions, additional conditions, price list and brochure. We've explained what they are in the enclosed Notice of Variation.

We're also pleased to let you know that on 20 July 2016:

- Our minimum fee for arranging and renewing formal overdrafts was reduced from £100 to £25; and
- Our minimum fee for temporary overdrafts was reduced from £35 to £25.

You'll be able to see these changes in Section E of our Business Banking Price List in the Overdrafts section from 4 October 2016.

What we're changing

1. Electronic Banking Tariff

We're bringing our Electronic Banking Tariff turnover limit into line with our Small Business Tariff and making it available to even more customers. At the moment only customers with annual turnover up to £500,000 are eligible for our Electronic Banking Tariff. We're changing this to make our Electronic Banking Tariff available to customers with annual turnover up to £2m. This means more customers won't pay extra for their automated payments because they'll already be included in their monthly fee.

2. Post Office

We've worked with the Post Office® to make an additional service available to you. Now you'll be able to pay in not just cash but also cheques at Post Office® counters. You can do this at the Post Office® in England, Scotland, Wales and Northern Ireland. To find your nearest Post Office® please visit the Post Office® website: <http://www.postoffice.co.uk/branch-finder>

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About HSBC

HSBC Bank plc is a company registered and established in England and Wales under registration number 14259. Our registered office is at 8 Canada Square, London E14 5HQ.

Our VAT registration number is GB365684514.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (our firm reference number is 114216)

regulated by the Jersey Financial Services Commission for Banking, General Insurance Mediation and Investment Business
licensed by the Guernsey Financial Services Commission for Banking, Insurance, Collective Investment Schemes and Investment Business
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You'll not be charged more than your usual counter charge for this additional service. If you're enjoying free banking, or aren't currently charged for counter services, you'll not have to pay for using the Post Office® until these arrangements come to an end.

3. Management fees

We've taken out our ability to charge you management fees. (Please note that management fees may continue to apply in other dealings that you may have with us. This would be covered in other documentation).

4. Eligibility Criteria for Savings Accounts

We're bringing our business savings accounts into line with our business current accounts, by introducing eligibility criteria for some of them. We'll be able to vary the criteria and may transfer you to another business savings account if you stop meeting the criteria. We'll give you at least two months' prior notice of this.

5. Closing your account and stopping services and Personal Payment Devices

We're making clearer the circumstances in which we can close your account or stop your services or your Personal Payment device where we have to do this to avoid being at risk of breaking a law or regulation or being censured by a regulator or government body.

6. Mistakes in payment

We're explaining what we'll do if someone pays money into your account by mistake.

7. Your Personal Payment Device

We're clarifying that you'll only be liable for payments made after your Personal Payment Device has been lost or stolen if you didn't keep it or the security details safe.

8. If we have to help the authorities, including our charges

We've put in new sections to say that:

- We can do things in relation to your account, services or Personal Payment Device if we're required to do so by law. For example, if your account is in the UK and you owe money to HM Revenue and Customs they might require us to take action on your account to recover that money.
- If we incur an administrative cost as a result of these kinds of actions we can charge you a fee to cover this. The fee will never be more than the maximum the law says we can charge.

9. Business Deposit Account Additional Conditions

We're giving you more choice in the type of credit interest you earn on your Business Deposit Account. At the moment your credit interest can only be linked to Bank of England Base Rate. Now you can choose whether it is linked to this rate or to our Variable Negotiated Credit Interest Rate. You'll be able to do this when you open a new account, when your account is reviewed, or at your request.

10. Client Money Manager Additional Conditions

We've taken out the section that says we can transfer money from your Office Account to your Undesignated Account to keep your Undesignated Account and Designated account in balance. We don't do this in practice.

We've updated these Additional Conditions to give you an email address where you can reach us instead of using fax.

11. Renaming Business Banking Deposit Account Additional Conditions

We're splitting up the Business Banking Deposit Account Additional Conditions. Now they'll be in two separate documents and be called:

- Business Money Manager and Community Savings Account Additional Conditions; and
- International Fixed Term Deposit Additional Conditions.

We're also reorganising these Additional Conditions so, for example, the numbering will change. But we're not making any changes that affect their meaning.

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What to do next

If you're happy with the changes to the terms and conditions, additional conditions, price list and brochure outlined in this letter, you don't need to do anything.

If you choose not to accept any of these changes, you have the right to close your account(s) by contacting us before 12 December 2016. We won't charge you for this, although you'll still have to pay any account charges you've already incurred.

These changes come into effect on 12 December 2016. If, however, you choose to use the additional service at the Post Office® before then this means that you're agreeing that the Post Office changes in the enclosed Notice of Variation come into effect for you from the day you first use that service.

If you've any questions about how the changes may affect you, or to let us know if you don't accept them, you can:

- call us on 03457 60 60 60*
- speak to your usual contact
- write to us at: HSBC, Customer Information, PO Box 6201, Coventry CV3 9HW

If you'd like a full copy of the new Business Banking Terms and Conditions, Business Banking Price List, Business Banking Made Easy brochure or Additional Conditions, they'll be available from 12 December 2016 at www.business.hsbc.uk or you can ask in any of our branches or call us on our usual numbers.

Yours sincerely



Ian Stuart

Head of Commercial Banking Europe

* To help us continually improve our service and in the interests of security we may monitor or record your call. Lines are open 8am to 10pm 7 days a week subject to planned routine maintenance.

