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Dear Customer

Important Information: Changes to the Business Banking Terms and Conditions, Additional Conditions, Business Banking Price List and Business Banking Made Easy brochure from 6 April 2016

We're making some changes to our terms and conditions, price list and Business Banking Made Easy brochure. We've explained what they are in the Notice of Variation we've sent with this letter.

What we're changing

1. Tax on credit interest

The government is introducing a tax-free Personal Savings Allowance on interest individuals earn on their savings. This will come in from 6 April 2016 for customers with accounts in the UK. From then we'll stop automatically taking 20% in income tax from the interest you earn on your non-ISA savings and we'll pay gross interest on, for example, any Business Money Market Fixed Deposits or any Business High Interest Deposit Bonds when they mature.

2. Interest on foreign currency accounts

At the moment we have discretion to charge a negative interest rate on a currency account to recover our costs. Given the current economic climate and the negative rates set by central banks, including the European Central Bank, we're changing this simply to say that we may charge negative interest on a currency account. We may decide to do this if the policy or reference interest rate for the relevant currency goes below 0%, as set by central banks, including the European Central Bank. We don't currently intend to charge negative interest and we'll let you know if we decide to do this in the future.

3. Business Telephone Banking

We're expanding what Primary Users can do. Instead of just being able to start applications on your behalf for banking services and products of any kind, they'll also be able to apply for loans or other products and services.

4. CHAPS payments

We're clarifying how you can make CHAPS payment withdrawals (over the counter in any HSBC branch) from your Business Deposit Account or Business Reward Account. You can use CHAPS payments to transfer money to accounts in your name with other financial institutions in the UK, Channel Islands and the Isle of Man.

5. Bearer Shares

We're clarifying that this section relates to all of the companies in your group and that if bearer shares are issued this may result in us ending every aspect of our relationship with you.

6. Customer Information

We're clarifying how the information about you and any Connected Persons may be shared with and between appropriate tax authorities under tax compliance regulations.

We're changing the Tax Compliance section to include a confirmation that you, and any Connected Person, are complying with requirements to report income and balances to tax authorities.

7. Business Banking Made Easy brochure

Business Overdraft Text Alerts

We're also making some changes to our Business Banking Made Easy brochure, giving you details of how we'll try to help you avoid informal overdraft charges and interest by sending Business Overdraft Text Alerts. These changes are not included in the Notice of Variation because we don't need to give you formal notice of them. We just thought that you'd like to know what we are doing to help you avoid charges and interest.

What to do next

If you're happy with the changes outlined in this letter, you don't need to do anything.

If you choose not to accept any of the changes set out in paragraphs 1 - 6, you have the right to close your account by contacting us before 6 April 2016. We won't charge you for this although you'll still have to pay any account charges you've already incurred.

If you don't want to take up the change outlined in paragraph 7, you can opt out of receiving our Business Overdraft Text Alerts by contacting us on the telephone number set out below.

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 Business Banking 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, any Additional Conditions, the Business Banking Price List or the Business Banking Made Easy brochure, they'll be available from 6th April 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.