

EXECUTION VERSION

HSBC BANK PLC  
AND  
THE LAW DEBENTURE TRUST CORPORATION p.l.c.

---

SUPPLEMENTAL TRUST DEED  
RELATING TO A TRUST DEED DATED 16 SEPTEMBER 1985  
CONSTITUTING  
U.S.\$500,000,000  
UNDATED FLOATING RATE PRIMARY CAPITAL NOTES

---

**THIS SUPPLEMENTAL TRUST DEED** is made on 18 September 2014

**BETWEEN:**

- (1) **HSBC BANK PLC** as issuer (the "**Bank**"); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** as trustee (the "**Trustee**").

**WHEREAS:**

- (A) The Bank (under its former name, Midland Bank plc) and the Trustee entered into a trust deed dated 16 September 1985 constituting the Bank's U.S.\$500,000,000 Undated Floating Rate Primary Capital Notes (the "**Notes**") (as amended, supplemented and/or restated from time to time, the "**Principal Trust Deed**").
- (B) The Trustee has agreed to exercise the power conferred upon it by Clause 19(iii) (*Alterations*) of the Principal Trust Deed to concur with the Bank in making an alteration to the Principal Trust Deed which in its opinion will not be materially prejudicial to the interests of the Noteholders and/or the Couponholders. Accordingly, the parties hereto now wish to enter into this supplemental trust deed (the "**Supplemental Trust Deed**") in order to amend Condition 4(d) (*Interest – Rate of Interest*) of the Terms and Conditions of the Notes to insert a further fallback method for calculating the Rate of Interest.

**NOW THIS DEED WITNESSETH** and it is hereby agreed and declared as follows:

**1. DEFINITIONS AND INTERPRETATION**

1.1 All words and expressions defined in the Principal Trust Deed shall where the context so requires and admits have the same meaning in this Supplemental Trust Deed and the principles of interpretation specified in Clauses 1(B) to (J) of the Principal Trust Deed shall where the context so requires and admits also apply to this Supplemental Trust Deed.

1.2 In addition, in this Supplemental Trust Deed the following expressions have the following meanings:

"**Effective Date**" means 22 September 2014; and

"**Letter Agreement**" means an agreement between the Bank and the Agent Bank in or substantially in the form set out in Schedule 1 to this Supplemental Trust Deed.

**2. AMENDMENTS TO THE PRINCIPAL TRUST DEED**

The Principal Trust Deed, with effect from the Effective Date, shall be amended as follows:

2.1 Condition 4(d)(iv) shall be deleted in its entirety and replaced by the following:

"(iv) if, on any Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such offered quotations, the Rate of

Interest for the relevant Interest Period shall, subject to (v) below, be whichever is the higher of:

- (A) the Rate of Interest in effect for the last preceding Interest Period to which (i), (ii) or (iii) above shall have applied; and
- (B) (i) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. (New York City time) on the relevant Interest Determination Date, by leading banks in New York City, U.S. dollar deposits for the relevant Interest Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such offered rates,  $\frac{1}{4}$  per cent. per annum above the arithmetic average of the lowest lending rates for U.S. dollar deposits which leading banks in New York City, selected after consultation with the Bank by the Agent Bank, quote on the relevant Interest Determination Date for the relevant Interest Period to leading banks which have their head offices in Europe; and
- (C) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above six month U.S. dollar LIBOR as it appears at or shortly after 11.00 a.m. (London time) on the Relevant Screen Page on the Interest Determination Date in question (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.),

**provided, however, that if:**

- (1) the banks selected as set out in (B) above are not quoting as mentioned therein, the Rate of Interest shall be the higher of the Rate of Interest specified in (A) above and the Rate of Interest determined in accordance with (C) above;
- (2) the Relevant Screen Page as set out in (C) above is not available at the relevant time on the relevant date, the Rate of Interest shall be the higher of the Rate of Interest specified in (A) above and the Rate of Interest determined in accordance with (B) above; and
- (3) if the banks selected as set out in (B) above are not quoting as mentioned therein and the Relevant Screen Page as set out in (C) above is not available at the relevant time on the relevant date, the Rate of Interest shall be the Rate of Interest specified in (A) above; and"

2.2 A new paragraph (vi) shall be inserted at the end of Condition 4(d) as follows:

"(vi) for the purposes of Condition 4(d)(iv):

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered

rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor); and

**"Relevant Screen Page"** means the Reuters Screen Page LIBOR01, or such other page, section or other part as may replace it on that information service or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to LIBOR."

2.3 Paragraph (C)(ii)(dd) of the Fourth Schedule to the Principal Trust Deed shall be deleted in its entirety and replaced by the following:

"(dd) if, on any Dividend Payment Date, only one or none of the Reference Banks provides the Agent Bank with such offered quotations, the Rate of Dividend for the relevant Dividend Period shall, subject to (ee) below, be whichever is the higher of:

(A) the Rate of Dividend in effect for the last preceding Dividend Period to which (aa), (bb) or (cc) above shall have applied; and

(B) (i) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. on the relevant Dividend Payment Date, by leading banks in London, sterling deposits for the relevant Dividend Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such offered rates,  $\frac{1}{4}$  per cent. per annum above the arithmetic average of the lowest lending rates for sterling deposits which leading banks in London, selected after consultation with the Bank by the Agent Bank, quote on the relevant Dividend Payment Date for the relevant Dividend Period to leading banks which have their head offices in Europe; and

(C) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above six month sterling LIBOR as it appears at or shortly after 11.00 a.m. (London time) on the Relevant Screen Page on the Dividend Payment Date in question (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.),

**provided, however, that if:**

(1) the banks selected as set out in (B) above are not quoting as mentioned therein, the Rate of Dividend shall be the higher of the Rate of

Dividend specified in (A) above and the Rate of Dividend determined in accordance with (C) above;

- (2) the Relevant Screen Page as set out in (C) above is not available at the relevant time on the relevant date, the Rate of Dividend shall be the higher of the Rate of Dividend specified in (A) above and the Rate of Dividend determined in accordance with (B) above; and
- (3) if the banks selected as set out in (B) above are not quoting as mentioned therein and the Relevant Screen Page as set out in (C) above is not available at the relevant time on the relevant date, the Rate of Dividend shall be the Rate of Dividend specified in (A) above;"

2.4 A new paragraph (ff) shall be inserted at the end of paragraph (C)(ii) of the Fourth Schedule to the Principal Trust Deed:

"(ff) for the purposes of paragraph (C)(ii)(dd):

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor); and

"**Relevant Screen Page**" means the Reuters Screen Page LIBOR01, or such other page, section or other part as may replace it on that information service or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to LIBOR."

2.5 For the avoidance of doubt, nothing in this Supplemental Trust Deed shall amend the Amount of Interest or the Rate of Interest determined by the Agent Bank in respect of the Interest Period ending on the Interest Payment Date falling in September 2014 (the "**Previous Interest Period**"), notwithstanding that such Previous Interest Period will end after the Effective Date and the amendments to the Conditions which are set out in this Clause 2 shall only apply in relation to the determination of the Amount of Interest or the Rate of Interest on or after the Effective Date.

### 3. **COSTS, EXPENSES AND INDEMNIFICATION**

3.1 The Bank shall, from time to time on demand of the Trustee, reimburse the Trustee for all fees, costs and expenses (including legal fees) incurred by it in connection with the negotiation, preparation and execution or purported execution of this Supplemental Trust Deed and the completion of the matters herein contemplated.

3.2 The Bank shall indemnify the Trustee and every attorney, manager, agent, delegate or other person properly appointed by it hereunder against any and all losses, liabilities,

costs, claims, actions or demands incurred by it or him or which may be made against it or him as a result of or in connection with the execution or purported execution of this Supplemental Trust Deed and the amendments hereby effected.

#### **4. FURTHER ASSURANCE**

4.1 The Bank undertakes to the Trustee to execute all such other documents and comply with all such other requirements to effect the amendments contemplated hereby and any other matter incidental thereto as the Trustee may direct in the interests of the Noteholders and the Couponholders.

4.2 The Trustee hereby consents to the amendments to each of clause 3(A) (which sets out the method which must be followed by the Agent Bank in determining the Rate of Interest) and clause 5(A) (which sets out the method which must be followed by the Agent Bank in determining the Rate of Dividend upon the winding up of the Issuer) of the Agent Bank Agreement as set out in the Letter Agreement.

#### **5. TRUST DEED**

This Supplemental Trust Deed is supplemental to the Principal Trust Deed and, subject to the amendments to be effected to the Principal Trust Deed hereunder, the Principal Trust Deed and the Notes shall remain in full force and effect and the Principal Trust Deed and this Supplemental Trust Deed shall be read and construed together as one deed.

#### **6. NOTICES**

6.1 A memorandum of this Supplemental Trust Deed shall be endorsed on the original of the Principal Trust Deed by the Trustee and on the duplicate thereof by the Bank.

6.2 The Bank shall, as soon as practicable after the amendments set out in Clause 2 (*Amendments to the Principal Trust Deed*) of this Supplemental Trust Deed become effective, give notice of the amendments to the Noteholders in accordance with Condition 11 (*Notices*).

#### **7. COUNTERPARTS**

This Supplemental Trust Deed may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement. This Supplemental Trust Deed shall not come into effect until each party has executed and delivered at least one counterpart.

#### **8. GOVERNING LAW AND JURISDICTION**

8.1 This Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.

#### **9. THIRD PARTY RIGHTS**

A person who is not party to this Supplemental Trust Deed may not enforce any terms of this Supplemental Trust Deed under the Contract (Rights of Third Parties) Act

1999, but this does not affect any right or remedy of any third party which exists or is available apart from that Act.

**IN WITNESS WHEREOF** this Supplemental Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the day first before written.

**EXECUTION CLAUSES**

**THE COMMON SEAL** of  
**HSBC BANK PLC** was hereunto  
affixed to this **DEED** in the presence of:

.....  
Authorised Signatory

.....  
Authorised Counter Signatory

**THE COMMON SEAL** of  
**THE LAW DEBENTURE TRUST  
CORPORATION p.l.c.** was affixed  
to this **DEED** in the presence of:

.....  
Director

.....  
Authorised Signatory



**SCHEDULE 1**  
**FORM OF LETTER AGREEMENT**

*[Letter head of HSBC Bank plc]*

To,

Citibank, N.A.  
Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

(the "**Agent Bank**")

With a copy to,

The Law Debenture Trust Corporation p.l.c.  
Fifth Floor  
100 Wood Street  
London  
EC2V 7EX

18 September 2014

**U.S.\$500,000,000 Undated Floating Rate Primary Capital Notes (ISIN: XS0015190423)**  
(the "**Notes**")

We refer to the agent bank agreement in relation to the Notes, dated 16 September 1985 between HSBC Bank plc (the "**Bank**") under its former name Midland Bank plc and Citibank, N.A., acting as the Agent Bank (as amended, restated or supplemented from time to time, the "**Agent Bank Agreement**").

Unless defined otherwise herein or the context otherwise requires, terms and expressions used in this letter have the same meanings and shall be construed in the same manner as in the Agent Bank Agreement.

The Bank and the Trustee have agreed to amend the method for calculating the Rate of Interest and the method for calculating the Rate of Dividend by entering into a supplemental trust deed dated 18 September 2014 supplemental to the Trust Deed in relation to the Notes.

Accordingly, the Bank proposes that with effect from 22 September 2014 (the "**Effective Date**") clauses 3(A) and 5(A) of the Agent Bank Agreement be amended so as to reflect the amendments agreed with the Trustee, as follows (together the "**Amendments**"):

1. Clause 3(A)(iv) shall be deleted in its entirety and replaced by the following:

"(iv) if, on any Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such offered quotations, the Rate of

Interest for the relevant Interest Period shall, subject to (v) below, be whichever is the higher of:

- (a) the Rate of Interest in effect for the last preceding Interest Period to which (i), (ii) or (iii) above shall have applied; and
- (b) (i) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. (New York City time) on the relevant Interest Determination Date, by leading banks in New York City, U.S. dollar deposits for the relevant Interest Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such offered rates,  $\frac{1}{4}$  per cent. per annum above the arithmetic average of the lowest lending rates for U.S. dollar deposits which leading banks in New York City, selected after consultation with the Bank by the Agent Bank, quote on the relevant Interest Determination Date for the relevant Interest Period to leading banks which have their head offices in Europe; and
- (c) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above six month U.S. dollar LIBOR as it appears at or shortly after 11.00 a.m. (London time) on the Relevant Screen Page on the Interest Determination Date in question (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.),

**provided, however, that if:**

- (1) the banks selected as set out in (b) above are not quoting as mentioned therein, the Rate of Interest shall be the higher of the Rate of Interest specified in (a) above and the Rate of Interest determined in accordance with (c) above;
- (2) the Relevant Screen Page as set out in (c) above is not available at the relevant time on the relevant date, the Rate of Interest shall be the higher of the Rate of Interest specified in (a) above and the Rate of Interest determined in accordance with (b) above; and
- (3) if the banks selected as set out in (b) above are not quoting as mentioned therein and the Relevant Screen Page as set out in (c) above is not available at the relevant time on the relevant date, the Rate of Interest shall be the Rate of Interest specified in (a) above; and"

2. A new clause 3(A)(vi) shall be inserted at the end of clause 3(A) as follows:

"(vi) for the purposes of clause 3(A)(iv):

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered

rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor); and

**"Relevant Screen Page"** means the Reuters Screen Page LIBOR01, or such other page, section or other part as may replace it on that information service or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to LIBOR."

3. Clause 5(A)(iv) shall be deleted in its entirety and replaced by the following:

"(iv) if, on any Dividend Payment Date, only one or none of the Reference Banks provides the Agent Bank with such offered quotations, the Rate of Dividend for the relevant Dividend Period shall, subject to (v) below, be whichever is the higher of:

- (a) the Rate of Dividend in effect for the last preceding Dividend Period to which (i), (ii) or (iii) above shall have applied; and
- (b) (i) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. on the relevant Dividend Payment Date, by leading banks in London, sterling deposits for the relevant Dividend Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such offered rates,  $\frac{1}{4}$  per cent. per annum above the arithmetic average of the lowest lending rates for sterling deposits which leading banks in London, selected after consultation with the Bank by the Agent Bank, quote on the relevant Dividend Payment Date for the relevant Dividend Period to leading banks which have their head offices in Europe; and
- (c) a rate per annum which the Agent Bank determines as being  $\frac{1}{4}$  per cent. per annum above six month sterling LIBOR as it appears at or shortly after 11.00 a.m. (London time) on the Relevant Screen Page on the Dividend Payment Date in question (rounded upwards if necessary to the nearest  $\frac{1}{16}$  per cent.),

**provided, however, that if:**

- (1) the banks selected as set out in (b) above are not quoting as mentioned therein, the Rate of Dividend shall be the higher of the Rate of Dividend specified in (a) above and the Rate of Dividend determined in accordance with (c) above;

- (2) the Relevant Screen Page as set out in (c) above is not available at the relevant time on the relevant date, the Rate of Dividend shall be the higher of the Rate of Dividend specified in (a) above and the Rate of Dividend determined in accordance with (b) above; and
- (3) if the banks selected as set out in (b) above are not quoting as mentioned therein and the Relevant Screen Page as set out in (c) above is not available at the relevant time on the relevant date, the Rate of Dividend shall be the Rate of Dividend specified in (a) above;"

4. A new clause 5(A)(vi) shall be inserted at the end of clause 5(A) as follows:

"(vi) for the purposes of clause 5(A)(iv):

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor); and

"**Relevant Screen Page**" means the Reuters Screen Page LIBOR01, or such other page, section or other part as may replace it on that information service or any other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to LIBOR."

For the avoidance of doubt, nothing in this letter shall amend the Amount of Interest or the Rate of Interest determined by the Agent Bank in respect of the Interest Period ending on the Interest Payment Date falling in September 2014 (the "**Previous Interest Period**"), notwithstanding that such Previous Interest Period will end after the Effective Date and the Amendments shall only apply in relation to the determination of the Amount of Interest or the Rate of Interest on or after the Effective Date.

Please confirm your agreement to the Amendments by countersigning this letter and the copy thereof enclosed with this letter in the space indicated. Please retain one copy of this letter for your records and return one copy with your countersignature to the Bank at the address specified in its letterhead above, for the Bank's records.

Except for the Amendments to the Agent Bank Agreement made pursuant to this letter, all terms and provisions of the Agent Bank Agreement will continue in full force and effect in accordance with its provisions on the date of this letter.

This letter, and any and all non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Yours faithfully,

---

Name:

Title:

For and on behalf of  
**HSBC Bank plc**

**ACKNOWLEDGED AND AGREED BY:**

---

Date: \_\_\_\_\_

Name:

Title:

For and on behalf of  
**Citibank, N.A.**