

Dear Aileen,

It comes as no surprise to me, that our plea for fairness has been rejected. I believe, with good reason, that the Group Board gave very little, if any, consideration to the many serious points that I raised and which you have failed to address in your response. Additionally, you give no explanation of the Board's decision as to why Clawback cannot be capped or removed, other than to say that the Board remain supportive of the position that has been taken to date on the matter of State Deduction.

Our campaign has never been about charity, although yourself and the Bank's Board of Directors would appear to believe that it is. Let me be clear, so that going forward there can be no misunderstanding, we are seeking fairness, equality and the full 2/3rd Final Salary Pension that was promised, nothing more and nothing less will do. A cap would have been acceptable and fairer being the same percentage for all.

I am sure that the BWC and the HSBC Support Fund do great work and have their place in relieving financial distress for those in need. I fail to understand, why for the most part of your email, you wax lyrical about these charitable funds. We do not consider ourselves charity cases, so kindly do not think of us in this regard. On all of the issues I brought with me to our meeting you remain silent. Why?

So Aileen, when you advised me that this rejection email was not what I was hoping for, you were absolutely right. Do you not think, that in your response, I had earned the right to have a clear explanation as to why the Board came to their decision, by covering off each issue raised? That is what I expected, that is what should have happened, at the very least. I think yourself and the Board know full well that you cannot begin to defend the indefensible. I believe that I made a good case for the removal or the capping of Clawback and as such I expected a detailed explanation as to why this cannot happen. You fail to give an objective justification and all that the Bank can offer is a wall of silence, or to say that to remove Clawback would disadvantage other scheme members. We have asked time and again for clarification on how this would be so, but again no explanation is forthcoming.

Where is the compassion for your former employees, especially when there is such a huge excess in the DBS Fund? None of this makes any

sense. The surplus should be used to increase the caps, catch up with the now minimum shortfall of inflationary increases of 12.5% and lastly curtail or cease future so called State Deduction. The Bank has declined all requests for the use of discretionary increases from both the Trustees and Horizons. Now the excess is to be used to pay the Bank's DCS contributions.

When I received the 'summary' of our meeting, provided by Kate Daniels and subsequently rejected it, as it was not a true and accurate reflection our conversation, by then it was clear to me, at that point, that I had wasted my time; however, I held on to the belief that once the Board had the truth of the matter in their hands they would act to remove or curtail this punitive Clawback. Sadly this did not happen. A good and fair resolution would have been kinder and better for all.

I would appreciate a copy of the minutes of the Board meeting detailing the issues that you presented on my behalf.

I have copied Gareth Dutfield into this email and look forward to receiving from him the details of the other sections within the DBS that suffer Clawback. Information that Kate agreed to send.

Regards,
Nancy Ball.