
Summary Plan Description
for the
Retiree Health Reimbursement Arrangement Plan
a component of the
HSBC – North America (U.S.) Retiree Health Plan
August 1, 2015 Edition

IMPORTANT NOTE

This new Summary Plan Description (SPD) describes changes to post-age 65 retiree medical coverage for eligible HSBC retirees and dependents. Effective August 1, 2015, the benefits described in this SPD replace the benefits described in any other SPD describing post-age 65 retiree medical coverage. This SPD also describes a new coverage option for HSBC retirees and dependents who are pre-age 65 but eligible for Medicare due to a disability.

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Introduction

HSBC North America Holdings Inc. (“HSBC”) is pleased to sponsor a retiree health reimbursement arrangement (“HRA”) for certain Medicare-eligible retired employees and eligible dependents. This booklet describes the basic features of the retiree HRA program as of August 1, 2015, the effective date of the Summary Plan Description (“SPD”). Capitalized terms are defined in the **Glossary** at the end of this booklet.

Retiree Health Reimbursement Arrangement

HSBC sponsors the HSBC – North America (U.S.) Retiree Health Plan (the “Plan”). The Plan includes retiree medical coverage benefits for Retirees who are younger than age 65 and separate benefits for Retirees who are older than age 65 (as well as Dependents). Before August 1, 2015, the benefits provided to post-age 65 Retirees and their Dependents were described in different benefit booklets for different groups of Retirees and provided under many different rules and benefit structures. These rules and benefit structures were developed over time to accommodate different groups of Retirees from former HSBC affiliates and companies acquired by HSBC.

HSBC conducted a review of its benefit programs for Retirees and determined that Retirees who are eligible for Medicare can find greater choice, flexibility, and value by purchasing health care coverage on the open market instead of participating in the group plan options offered under the Plan.

Therefore, effective August 1, 2015, HSBC changed the coverage for most eligible post-age 65 Retirees and their Dependents so that all of these individuals are covered under one type of benefit structure. Post-age 65 Retirees and their Dependents no longer obtain medical and prescription drug coverage through HSBC-sponsored coverage. Instead, all Eligible Retirees and their Eligible Dependents shall continue their eligibility for retiree medical coverage sponsored by HSBC under this Retiree Health Reimbursement Arrangement Plan (the “Retiree HRA Plan”), which is a new component of the Plan. Benefits for pre-age 65 retirees will generally continue to be governed by the applicable Plan terms as in effect immediately before August 1, 2015. This SPD only describes the Retiree HRA Plan.

Some Retirees may also be eligible for, and participate in dental, vision and/or optional life insurance benefits. Those benefits and the eligibility requirements for them are addressed in separate booklets.

What is a Retiree Reimbursement Account (RRA)?

Under the Retiree HRA Plan, accounts are set up called Retiree Reimbursement Accounts or RRAs. An RRA is an account maintained for the benefit of Eligible Retirees, Eligible Dependents and/or Eligible Survivors. The dollar amounts allocated to that RRA may be used by Eligible Retirees, Eligible Dependents and/or Eligible Survivors to purchase supplemental individual insurance coverage to Medicare Parts A and B. In addition, the amounts credited to the RRA may be used to reimburse Eligible Retirees, Eligible Dependents and/or Eligible Survivors for Eligible Medical Expenses. To learn more about the Retiree HRA Plan and whether you are eligible for a RRA, check the Supplemental Medicare Coverage At-A-Glance chart on page 5 and then read the SPD for more detail.

How does this Retiree HRA Plan work?

HSBC has partnered with Aon Hewitt to help manage the Plan. Aon Hewitt is an independent human resources consulting and outsourcing company that supports HSBC human resources in a number of ways, including operation of the HSBC Benefits Center.

The Retiree HRA Plan works together with the Aon Retiree Health Exchange™ (the “Aon Exchange”) and supports Eligible Retirees, Eligible Dependents and/or Eligible Survivors who wish to purchase individual insurance coverage to supplement Medicare Parts A and B. These separate insurance policies are not part of the Retiree HRA Plan and are not sponsored by HSBC or Aon Hewitt; instead, amounts available under your RRA may be used to reimburse you for premiums and costs you incur in connection with those separate insurance policies.

Please note: The Retiree HRA Plan does not provide actual medical coverage. Instead, the Retiree HRA Plan offers an account (the RRA) that can be used to reimburse you for Eligible Medical Expenses during retirement up to the amount available in your RRA.

Participation in the Retiree HRA Plan is limited to retirees and dependents who are eligible for coverage under Medicare Parts A and B. Generally, you are eligible for Medicare if you have attained age 65, are eligible for Social Security Disability Benefits, or have end stage renal disease (“ESRD”).

Medicare Part A provides coverage for inpatient hospital, skilled nursing facility and hospice services. Medicare Part B provides coverage for outpatient hospital, doctor and other healthcare provider services. Neither Medicare Part A nor Part B cover all expenses; both programs contain limits, deductibles and co-pays. Also, these programs do not cover prescription drugs (except when such drugs are included in inpatient hospital services). Consequently, private insurance companies have developed a variety of insurance programs to supplement Medicare. These programs include Medigap policies which may pay some of the deductibles and co-pays and extend the limits of Medicare Parts A and B, Medicare Advantage policies which cover items similar to Medigap policies but may also provide prescription drug coverage, and Medicare Part D Coverage policies which provide only prescription drug coverage.

Prior to the adoption of the Retiree HRA Plan effective August 1, 2015, the various kinds of coverage provided under the Plan to Medicare-eligible retirees and dependents were similar to the coverage available under various Medicare Advantage policies.

This SPD refers to Medigap policies and Medicare Advantage policies purchased on the Aon Exchange as “Supplemental Medicare Coverage,” and to Medicare Part D Coverage policies purchased on the Aon Exchange as “Part D Coverage.” The various Supplemental Medicare Coverage policies and Part D Coverage policies available on the Aon Exchange charge different monthly premiums and have different deductibles and co-pays.

In order to receive reimbursement for Eligible Medical Expenses from your RRA under the Retiree HRA Plan, you must be enrolled in a Supplemental Medicare Coverage policy and/or Part D Coverage policy. If you are so enrolled, you may obtain reimbursement for your premiums, deductibles and co-pays under the policy as well as other Eligible Medical Expenses from your RRA.

The Retiree HRA Plan also separately provides coverage for eligible retirees that supplements Medicare Part D coverage by providing for reimbursement through the RRA for certain catastrophic prescription drug expenses.

Getting Help with the Retiree HRA Plan and your RRA

Aon Exchange benefit advisors will explain how to take advantage of the benefits available under the Retiree HRA Plan and help you choose the medical insurance that best fits your personal needs and budget. There is no cost for the services provided by the Aon Exchange. You may contact the Aon Exchange at 1-844-779-9562 or through the Internet at <https://retiree.aon.com/hsbc>.

Aon Hewitt - Your Spending Account (“YSA”) provides certain administrative services for this Retiree HRA Plan and has sole discretion to decide certain claims and appeals under the Retiree HRA Plan.

About this SPD

This SPD describes the following retiree benefits, which are available under the Retiree HRA Plan:

- the RRA
- the catastrophic prescription drug benefit

Effective August 1, 2015, these are the only retiree medical benefits available under the Plan to post-age-65 Eligible Retirees, Eligible Dependents and/or Eligible Survivors. In addition, this SPD includes important information explaining how you meet the eligibility rules for the Retiree HRA Plan, how you may file claims under the Retiree HRA Plan, and how the entire program of benefits operates.

It is important that you understand how your benefits work so you can make the best use of them. Please take some time to review the SPD and keep it with your important papers.

Please note that this SPD only summarizes key provisions of the official Plan document and does not attempt to cover all of the details contained in the official Plan document. The official Plan document for the Retiree HRA Plan, as in effect from time to time during the period you may participate in the Retiree HRA Plan and may be covered by it, contains all of the terms and conditions of the Plan and will be used to determine how the Plan operates, what benefits are paid, and who is eligible to receive them. To the extent that any of the information contained in this SPD or any information that you receive in writing or orally is inconsistent with the official Plan document, the provisions set forth in the official Plan document will govern in all cases.

This SPD supersedes and replaces all previous SPDs concerning post-age 65 retiree medical benefit coverage you may have received. HSBC reserves the sole right and has the authority to change, suspend, or terminate the Plan at any time and for any reason, as explained further on page 22.

If you wish to review the official Plan document, please refer to the **Your Rights under ERISA** section of this SPD, which explains your ability to review the official Plan document.

It is possible that, due to an unintentional error, your actual benefits may differ from what is described in this SPD and HSBC reserves the right to correct any errors in this SPD. Clerical errors or other mistakes, including but not limited to misinformation on eligibility or a miscalculation of benefit amounts, or overpayments of benefits, do not create a right to receive benefits.

Important Contacts

For questions about general operation of the Retiree HRA Plan and RRAs (including eligibility, claims procedures permissible expenses and privacy rights), contact the Aon Exchange at 1.844.779.9562 or through the Internet at <https://retiree.aon.com/hsbc>.

For questions about continuation coverage under COBRA, contact the Aon Exchange at 1.844.779.9562.

For information about purchasing coverage on the Aon Exchange, contact Aon Exchange at 1.844.779.9562 or through the Internet at <https://retiree.aon.com/hsbc>.

Post-65 Retiree Medical Coverage At-a-Glance

		Page
Eligibility	<p>You are eligible to participate in the Retiree HRA Plan if you are an:</p> <ul style="list-style-type: none"> • Eligible Retiree; • Eligible Dependent; or • Eligible Survivor; <p>And you are enrolled in Supplemental Medicare Coverage.</p>	6
Benefits offered	<p>The Retiree HRA Plan offers:</p> <ul style="list-style-type: none"> • a Retiree Reimbursement Account (“RRA”) that may be used to reimburse eligible insurance premiums and Eligible Medical Expenses, and • a catastrophic prescription drug benefit. 	10
How the plan pays benefits	<p>HSBC credits a certain dollar amount to your RRA on an annual basis, annual basis limited to 10 years, or, in some cases, a one-time basis, and you may apply for reimbursement of Eligible Medical Expenses up to the amount in your account.</p>	11-12
General exclusions	<p>There are certain expenses that the medical program does not cover.</p>	11
Filing a claim for reimbursement or coverage	<p>Instructions are provided on how you may file claims for amounts in your RRA or for catastrophic prescription drug expense reimbursements, as well as how to file a claim for coverage or eligibility under the Retiree HRA Plan.</p>	15-16
Who pays for coverage	<p>HSBC pays the cost of the benefits under the Retiree HRA Plan; you are not permitted or required to make any contributions to the Plan.</p>	11
When coverage ends	<p>Coverage under the Retiree HRA Plan can end for various reasons, including death or failure to maintain Supplemental Medicare Coverage or Part D Coverage, or because you are an Eligible Dependent and the Eligible Retiree or Eligible Survivor through which you received coverage under the Retiree HRA Plan dies or ceases to be eligible under the Plan or this Retiree HRA Plan (unless you become an Eligible Survivor).</p>	13-14

Eligibility and Enrollment

You are eligible to participate in the Retiree HRA Plan if you are an:

- **Eligible Retiree** (described on pages 6-7);
- **Eligible Dependent** (described on page 7); or
- **Eligible Survivor** (described on page 7).

Eligible Retiree

Am I an Eligible Retiree?

You are an Eligible Retiree, which means you are able to participate in the Retiree HRA Plan, *if you meet two requirements: **Requirement #1** and **Requirement #2**.*

Do I meet Requirement #1?

First, you must be classified as a Retiree. Check the **Glossary** at the end of this booklet to determine if you fall within any of the groups of Retirees who are eligible for coverage under this Retiree HRA Plan.

Do I meet Requirement #2?

To determine if you meet **Requirement #2**, answer the following three questions. If the answer to all of these questions is “yes,” then you meet Requirement #2. If you answer “no” to any of these questions, you are not eligible for this Retiree HRA Plan:

1. Were you **enrolled as a participant in the HSBC – North America (U.S.) Consolidated Health and Welfare Plan**, or were you enrolled in the group health plan maintained by Household, HSBC Bank USA, Household Manufacturing, Williamsburg Savings Bank or Manhattan Savings Bank at the time of your retirement (and you haven’t previously waived coverage under this/that plan)?
2. Are you currently eligible for **Medicare Parts A and B**?

(**NOTE:** If you reside outside the U.S., this question is: Would you be eligible for Medicare Parts A and B except for the fact that you reside outside the U.S.?)

3. Did you **timely enroll in Supplemental Medicare Coverage and/or Part D Coverage**?

(See the “Enrollment in Supplement Medicare Coverage is Required” subsection of this SPD for information on how to enroll in Supplemental Medicare Coverage and/or Part D Coverage. Also see the **Glossary** for a description of Supplemental Medicare Coverage and Part D Coverage)

If you answered **yes to all three of these criteria, you meet Requirement #2**. If you failed to answer “yes” to any of the three questions under Requirement #2, you are not eligible for this Retiree HRA Plan.

If you meet both **Requirement #1** and **Requirement #2**, you are an Eligible Retiree, *which means you are able to participate in the Retiree HRA Plan.*

Eligible Dependents

What Eligibility Conditions must Dependents Satisfy to receive an RRA?

In order to be an Eligible Dependent, a family member must meet the definition of “Dependent” (see the **Glossary** at the end of this booklet) applicable to the retiree group that covers the Retiree and must also satisfy all the following three criteria:

1. The Dependent is not a dependent of a Retiree who is ineligible for coverage under the Plan or a Retiree who previously waived coverage under the HSBC – North America (U.S.) Consolidated Health and Welfare Plan.
2. The Dependent is eligible for Medicare Parts A and B (or if the Dependent reside outside the U.S., he/she is eligible for Medicare Parts A and B except for his/her foreign residence); and
3. The Dependent timely enrolled in Supplemental Medicare Coverage and/or Part D Coverage, as explained in the **Enrollment in Supplement Medicare Coverage or Part D Coverage is Required** subsection of this SPD.

Eligible Survivors

If you are the surviving spouse or Domestic Partner of a deceased Retiree, you are an Eligible Survivor if you satisfy all of the following criteria:

1. You are not a survivor of a Retiree who is ineligible for coverage under the Plan or a Retiree who previously waived coverage under the HSBC – North America (U.S.) Consolidated Health and Welfare Plan.
2. You are eligible for Medicare Parts A and B (or if you reside outside the U.S., you are eligible for Medicare Parts A and B except for your foreign residence); and
3. You timely enrolled in Supplemental Medicare Coverage and/or Part D Coverage, as explained in the **Enrollment in Supplement Medicare Coverage or Part D Coverage is Required** subsection of this SPD.

Enrollment in Supplemental Medicare Coverage or Part D Coverage is Required

As explained above, to be eligible for benefits under the Retiree HRA Plan, you must timely enroll (**through the Aon Exchange**) in Supplemental Medicare Coverage or Part D Coverage.

Medicare Rules: If you are enrolled in (or eligible for, if you reside outside of the U.S, as described below) Medicare Parts A and B, Medicare rules require that you generally must enroll in Supplemental Medicare Coverage and/or Part D Coverage by the latest of:

- the last day of the second month following the month that you (or the Retiree to whom you are related) lose coverage under the HSBC active employee health plan if you (or the Retiree to whom you are related) retire and lose coverage under the HSBC active employee health plan after turning age sixty-five; or
- the last day of the third month following the month in which you turn age sixty-five if you retire from HSBC on or before the date you turn age sixty-five.

However, if you are an Eligible Survivor because of your relationship with a Retiree and you are enrolled in Medicare Parts A and B on the date of the HSBC Retiree’s death, Medicare rules require

that you enroll in Supplemental Medicare Coverage and/or Part D Coverage within sixty days after the last day of the sixth month following the month in which the HSBC Retiree died. Similar rules apply for an Eligible Dependent of a deceased HSBC Retiree who met the requirements for HSBC's Retiree medical coverage.

Special Rules for Residents of Foreign Countries or Retirees with Existing Non-Aon Exchange Coverage as of August 1, 2015: The general rule is that you must enroll in Supplemental Medicare Coverage or Part D Coverage through the Aon Exchange to participate in the Retiree HRA Plan. However, under the certain situations, you may be able to participate in the Retiree HRA without enrolling in Supplemental Medicare Coverage or Part D Coverage or not enrolling in such coverage through the Aon Exchange:

- If you are an Eligible Retiree or Eligible Dependent residing in a foreign country (including U.S. territories) and you are eligible for Medicare Parts A and B except for your non-U.S. residence, you can participate in the Retiree HRA Plan if you certify to the Plan Administrator that you have other coverage.
- Additionally, if as of August 1, 2015, you cannot enroll in Supplemental Medicare Coverage or Part D Coverage because you have already enrolled in similar coverage outside of the Aon Exchange, you can participate in the Retiree HRA Plan if you certify to the Plan Administrator that you already have that other coverage.

Certification of other coverage must be made on an annual basis. Please contact the HSBC Benefits Center at 1-800-847-0615 to learn how you can certify that you have other coverage.

Finally, different enrollment timing rules apply at the initial inception of this Retiree HRA Plan and a short period thereafter. Those rules have been separately communicated to affected individuals. Please contact the HSBC Benefits Center at 1-800-847-0615 if you need additional details.

If you do not enroll in Supplemental Medicare Coverage and/or Part D Coverage by the required deadline, you will forever forfeit your right to participate in the Retiree HRA Plan.

Transitioning Between Pre-Age 65 and Post-Age 65 Coverage

On August 1, 2015, all Retirees and Dependents who were eligible for Medicare Parts A and B based on age were transitioned from the retiree medical benefit option they participated in under the Plan prior to that date to the Retiree HRA Plan, provided all eligibility rules were/are satisfied. Retirees and Dependents who were eligible for Medicare Parts A and B on August 1, 2015, but did not automatically transition to the Retiree HRA Plan were permitted to transition to the Retiree HRA Plan no later than October 1, 2015. Retirees and Dependents who are eligible for Medicare Parts A and B due to disability may transition to the Retiree HRA Plan upon notifying the HSBC Benefits Center at 1-800-847-0615 of their satisfaction of all eligibility rules under this Retiree HRA Plan.

If you or your Dependents are not eligible for Medicare Parts A and B because you are younger than age 65, the following rules apply to you:

Once you are a Retiree eligible for Medicare Parts A and B because you turned age 65, your coverage will transition from the pre-age 65 retiree medical benefit option that currently covers you to this Retiree HRA Plan. If you are a Retiree eligible for Medicare Parts A and B, but your Dependent(s) is(are) not, you will participate in the Retiree HRA Plan (assuming you meet all

eligibility requirements) but your Dependent(s) will remain covered under the retiree medical benefit option for pre-age 65 retirees and dependents otherwise applicable to them. Once your Dependent(s) are eligible for Medicare Parts A and B, they will no longer be eligible under that retiree medical benefit option and will then be covered by this Retiree HRA Plan. Similarly, if your Dependent(s) is(are) eligible for Medicare Parts A and B, but you are not, your Dependent(s) will participate in this Retiree HRA Plan but you will remain covered under the retiree medical benefit option for pre-age 65 retirees applicable to you. Once you become eligible for Medicare Parts A and B, you will no longer be eligible under that retiree medical benefit option and will then be eligible for coverage under this Retiree HRA Plan. In all cases, Plan coverage is subject to all of the otherwise applicable eligibility rules, such as the requirement to enroll in Supplemental Medicare Coverage or Part D Coverage. Note that in order to enroll in Supplemental Medicare Coverage or Part D Coverage, you must first enroll in Medicare Part A and Part B (unless certain limited exceptions apply to you – see **Enrollment in Supplemental Medicare Coverage or Part D Coverage is Required** above).

Your Dependent(s) coverage under the Plan (either a pre-65 retiree medical benefit option or this Retiree HRA Plan) is contingent on your continued enrollment in either the Plan's pre-age 65 retiree medical benefit applicable to you or this Retiree HRA Plan, whichever is applicable. See the section titled **Situations Affecting Your Coverage** for special rules regarding what happens to the benefits under this Retiree HRA Plan and your RRA when you die.

For detailed information regarding which individuals may participate in the Retiree HRA Plan (subject to other eligibility requirements) or will remain covered under a separate retiree medical benefit option under the Plan, please refer to **Appendix A** immediately before the **Glossary**.

Benefits

Retiree Reimbursement Account (“RRA”)

If you are eligible for coverage under the Retiree HRA Plan, HSBC will establish an RRA for you and credit an allocation into your RRA. With certain exceptions, allocations will be credited to your RRA on an annual basis (prorated for partial years of participation). You will be notified of your specific allocation amount and any limitations on the number of allocations that you will receive. Allocations are notional dollar amounts; they are not actual cash contributions and they do not earn investment income.

Allocation amounts are different for different groups of Retirees. HSBC has reserved the right to make changes in the Plan for all groups of retirees and dependents. Accordingly, HSBC may recalculate allocation amounts periodically on the basis of changes in the cost of health care and the amount of employer cost-sharing provided to different groups of retirees and dependents at the time of retirement or at other times.

You will receive an annual statement with your total HRA balance, which will reflect all amounts credited to your HRA, including in prior years, less all amounts deemed paid from your HRA. You may submit requests for claims of reimbursement to YSA for eligible out-of-pocket medical expenses. The Plan will reimburse you for Eligible Medical Expenses up to your HRA balance. Allocation amounts that are not used by the end of the Plan year will roll over to the following Plan year and will continue to be available for reimbursement of Eligible Medical Expenses.

A single RRA will be established for each Eligible Retiree (or Eligible Survivor of a deceased Eligible Retiree) regardless of how many Eligible Dependents, in addition to the Eligible Retiree (or Eligible Survivor), are entitled to have Eligible Medical Expenses reimbursed from the RRA.

Eligible Medical Expenses include (but are not limited to):

- Premiums for individual Medicare Advantage or Medigap policies (i.e., Supplemental Medicare Coverage)
- Premiums for prescription drug plans (i.e., Part D Coverage)
- Premiums for Medicare Part B
- COBRA premiums
- Medical insurance premiums paid on an after-tax basis
- Dental insurance premiums paid on an after-tax basis
- Vision insurance premiums paid on an after-tax basis
- Out-of-pocket medical expenses, including:
 - Deductibles, coinsurance, and copays for medical, dental and vision expenses (but excluding expenses for prescription drugs)
 - Insulin
 - Dermatology
 - Physical therapy
 - Contact lenses or glasses used to correct a vision impairment
 - Chiropractor treatments
 - Hearing aids
 - Wheelchairs

Ineligible Expenses Include:

- Any expenses incurred before the date you became a participant in the Plan (medical expenses are “incurred” when the medical care is provided, not on the date that you are charged, billed, or pay for the care)
- Any expenses that have been reimbursed by another plan or that you plan to seek reimbursement for under another plan
- Medical premiums for active employees under a HSBC medical plan
- Child care
- Cosmetic surgery (unless the surgery is necessary to correct a deformity from a congenital abnormality, accident or disfiguring disease)
- Funeral and burial expenses
- Household and domestic help
- Massage therapy
- Health club or fitness program dues
- Cosmetics, toiletries, etc.
- Out-of-pocket expenses for prescription drugs (except as described below in the **Reimbursement for Catastrophic Prescription Drug Expenses** subsection)

For additional details on eligible expenses and ineligible expenses, please refer to HRA expense list available from YSA.

Reimbursement for Catastrophic Prescription Drug Expenses

If you are eligible for reimbursement of your catastrophic prescription drug expenses, the Retiree HRA Plan will separately reimburse you for eligible prescription drug expenses that exceed your annual Medicare “True Out-of-Pocket” limit and for which Medicare will not reimburse you. The Medicare “True Out-of-Pocket” limit for 2015 was \$4,700, for 2016 it is \$4,850, but it may change for future years on an annual basis as determined by the federal government. A prescription drug expense is only eligible for reimbursement from the Retiree HRA Plan if it is an otherwise eligible prescription drug expense under your Medicare Part D Coverage.

Note that the Retiree HRA Plan will not reimburse you for any eligible prescription drug expenses until all amounts credited to your RRA have been depleted.

Payment of Benefits

As previously stated, this Retiree HRA Plan does not provide actual medical coverage. Instead, the Retiree HRA Plan offers an account (the RRA) that can be used to reimburse you for Eligible Medical Expenses during retirement up to the amount available in your RRA. The maximum benefit you can receive from the Retiree HRA Plan at any given time is the notional dollar amount credited to your RRA.

Payment of benefits under this Retiree HRA Plan shall be made as soon as administratively feasible after the required forms and documentation described in the Filing a Claim subsection of this SPD have been received and approved by YSA. You are permitted to request reimbursements at any time. However, if you lose eligibility for coverage under this Retiree HRA Plan or die, all remaining reimbursement claims must be submitted within six months after the earlier of the date on which you lost eligibility for coverage under this Retiree HRA Plan or the date on which you died.

You may not seek reimbursements from this Retiree HRA Plan for any expenses for which you receive reimbursements from other third parties, regardless of whether the expenses are otherwise eligible for reimbursements from this Retiree HRA Plan.

Payments under the Retiree HRA Plan may only be used to reimburse eligible medical or catastrophic prescription drug expenses. This means you cannot receive cash or any other benefit from the Retiree HRA Plan, except reimbursement of these eligible expenses.

HSBC is fully responsible for the payment of benefits under this Retiree HRA Plan. You are not be permitted or required to make any contributions to your RRA under any circumstances. (Although some Retirees may have to use their own funds to pay a portion of the premium of the Supplemental Medicare Coverage or Part D Coverage that the Retirees purchase on the Aon Retiree Health Exchange.) The Plan is not insured or funded. All benefits are paid from HSBC's general assets.

How to Get Reimbursed for Eligible Medical Expenses and Catastrophic Prescription Drug Expenses

To obtain reimbursement for Eligible Medical Expenses or catastrophic prescription drug expenses, go to the Aon Exchange website at <https://retiree.aon.com/hsbc>, and click on the 'manage my HRA' link for further instructions. If you need additional help, you can call the Aon Exchange at 1.844.779.9562.

Claims for reimbursement should generally include the following:

- the amount of the requested reimbursement;
- the provider or entity to whom the eligible expense was incurred;
- a detailed description of the services, supplies, or equipment received or used;
- the date of payment;
- a signed statement that the eligible expense has not been reimbursed, or is not reimbursable, under any other health plan coverage; and
- with respect to eligible prescription expenses, the corresponding Medicare prescription drug plan (Part D) explanation of benefits form.

Generally, claims for eligible expenses incurred in a calendar year must be filed during that calendar year or by March 31st of the following calendar year. If a claim is filed after March 31st of the following calendar year, the claim will not be paid from your RRA even though there is a credit balance in your RRA.

Situations Affecting Your Coverage

If you cease enrollment in Supplemental Medicare Coverage and Part D Coverage at any time or otherwise become an Excluded Individual, HSBC will cease all future allocations into your RRA. If you cease enrollment due to your failure to enroll in Supplemental Medicare Coverage or Part D Coverage, you may use any remaining amounts already allocated to your RRA for reimbursements of eligible expenses incurred before and after you cease enrollment. If you cease enrollment for any other reason, you may only use your RRA for reimbursements for eligible expenses incurred before you cease enrollment. Amounts allocated to your RRA in excess of such reimbursements will be forfeited.

In addition, if you are an Eligible Dependent and the HSBC Retiree to whom you are related is under age 65, you will lose coverage under the Retiree HRA Plan if the HSBC Retiree ceases to be covered under the pre-age 65 portion of the Plan. If you lose coverage for this reason, you will immediately forfeit any remaining allocation in your RRA. However, if the HSBC Retiree ceases to be covered under the Plan due to reemployment by HSBC (and the HSBC Retiree re-enrolls in HSBC's active employee health plan) you may become re-eligible for coverage if the HSBC Retiree later re-enrolls in the Plan (and enrolls in Supplemental Medicare Coverage and/or Part D Coverage upon turning age 65 or becoming eligible for Medicare Parts A and B). At that time, a new RRA may be established; however, you will not be entitled to any reinstatement of your previously forfeited allocation.

Also, if you are an Eligible Dependent and the Eligible Retiree or Eligible Survivor who serves as the basis for your coverage under the Retiree HRA Plan dies or otherwise ceases coverage under the pre-age-65 portion of the Plan or the Retiree HRA Plan, your coverage under the Retiree HRA Plan will cease unless you become an Eligible Survivor as a result of the death of a Retiree.

Finally, upon the date of your death, coverage under this Plan ends. However, as described in the **Payment of Benefits** subsection of this SPD, any remaining claims incurred before your death must be submitted by your representative within a certain time period after the date of your death. At the end of the time period, you will forfeit any remaining allocation in your RRA unless you have an Eligible Survivor or a spouse or Domestic Partner that is not yet eligible for Medicare Parts A and B. If you have an Eligible Survivor at the time of your death, your RRA will continue and your Eligible Survivor will be able to receive reimbursements for eligible expenses from the RRA. If at the time of your death you do not have an Eligible Survivor, but you have a spouse or Domestic Partner who is not yet eligible for Medicare Parts A and B, your RRA will be terminated, provided that if your spouse or Domestic Partner later becomes an Eligible Survivor, the Eligible Survivor will benefit from a one-time allocation equal to the RRA balance (determined without interest) you had at the time of your death.

Please contact the HSBC Benefits Center (1-800-847-0615) for additional details if you decide to move out of the United States because special rules will apply to you.

HSBC and the Plan Administrator reserve the right to conduct an audit of dependent eligibility. You must give HSBC, the Plan Administrator or the Claims Administrator proof when requested that your dependent meets the conditions for eligibility. If the Plan pays benefits for expenses incurred by an ineligible dependent, then you must make the Plan whole by repaying the amount of such benefits

together with any related collection costs and attorneys' fees. The Plan Administrator or its delegate may also, at its option, terminate your and your dependent's coverage under the Plan and/or direct the Claims Administrator to deduct the amount of such benefits from any subsequent benefits payable under the Plan to you or for your benefit, unless prohibited under applicable law. The reductions will equal the amount of the required refund plus interest.

Claims Procedures

In General

In general, the manner in which claims and appeals are handled will depend on whether you have a claim for benefits or a claim for eligibility. A claim for benefits is generally an assertion that you are entitled to a certain benefit (e.g., reimbursement for a particular expense) under the Retiree HRA Plan. A claim for eligibility is generally an assertion that you are eligible to participate in the Retiree HRA Plan.

Aon Hewitt's Claims and Appeals Management ("CAM") division has a fiduciary role and has been delegated authority as a claims administrator to determine claims for benefits and appeals of benefit claim denials. CAM has a ministerial role to process claims for eligibility. The Plan Administrator (or its delegate) retains the fiduciary role and authority for determining appeals of eligibility claim denials.

Filing a Claim

Claims must be filed using a written form supplied by the HSBC Benefits Center and submitted to CAM by U.S. Mail, by hand delivery, or by facsimile.

To obtain a claim form from the HSBC Benefits Center, call 1-800-847-0615.

To submit a claim, either mail it or send it by fax to CAM. The mailing address for CAM is as follows:

Claims and Appeals Management
P.O.Box 1407
Lincolnshire, IL 60069-1407

CAM's fax number is 1-847-554-1251.

Claims for denied reimbursements should include the following:

- the amount of the requested reimbursement;
- the provider or entity to whom the eligible expense was incurred;
- a detailed description of the services, supplies, or equipment received or used;
- the date of payment;
- a signed statement that the eligible expense has not been reimbursed, or is not reimbursable, under any other health plan coverage; and
- with respect to eligible prescription expenses, the corresponding Medicare prescription drug plan (Part D) explanation of benefits form.

You may file claims yourself, or you may designate another person as your "authorized representative" by notifying CAM in writing of such person's designation. In that case, all subsequent notices will be provided to you through your authorized representative, and decisions concerning that claim will be forwarded to your authorized representative.

Notification of Claim Decision

CAM will determine your claim for benefits or eligibility. CAM will generally issue a decision to you within 30 days after the claim is received. However, CAM may extend the 30-day decision period for up to 15 additional days if special circumstances require an extension of time. CAM will inform you if

an extension is necessary. In addition, you will have at least 45 days to provide any additional information that CAM requests from you to decide your claim. If you do not receive a decision within the time period set forth in this subsection, your claim is denied.

Important note: If your claim for eligibility was filed prior to January 1, 2016, the Plan Administrator (or its delegate) will process your claim and notify you of its decision within 90 days after the claim is received or within 180 days if special circumstances require an extension (in which case you will be notified of the extension).

Claim Denial and Appeal

If CAM denies your claim or your claim is deemed denied by the failure to receive a decision, you will have the opportunity to appeal that denial. You must submit any appeal in writing to CAM. How much time you have to file an appeal, and who decides the appeal, will depend on the type of claim that was denied.

- Appeals of benefit claim denials must be filed within 180 days after the receipt of the denial notice or the date of the deemed denial. Appeals of benefit claim denials are decided by CAM in its sole discretion.
- Appeals of eligibility claim denials must be filed within 60 days after the receipt of the denial notice or the date of the deemed denial. Appeals of eligibility claim denials are decided by the Plan Administrator (or its delegate) in its sole discretion.

CAM or the Plan Administrator, as applicable, will generally issue a decision on your appeal no later than 60 days after your written appeal was received. However, CAM or the Plan Administrator, as applicable, may extend the 60-day decision period to 120 days if special circumstances require additional time (in which case, you will be notified of the need for an extension). If you do not receive a decision on your appeal within the time period set forth in this subsection, your appeal is denied.

Legal Action

If you do not file a claim, follow these claims procedures, or appeal on time, you will give up any legal rights you may have, including your right to file a suit in federal court. If your claim and appeal are both denied or deemed denied, you may bring a legal action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). However, you must first exhaust all applicable administrative procedures under this Plan and file such action by the earliest of:

- The date that is 180 days following the final decision on any claim or benefits or eligibility submitted to CAM or the Plan administrator, as applicable;
- The date that is three (3) years after you incurred the expense underlying the claim; or
- The statutory deadline for filing a claim or lawsuit applying the most analogous statute of limitations for the State of Illinois.

Miscellaneous

COBRA Continuation Coverage

The Plan will make COBRA continuation coverage available to eligible qualified beneficiaries who lose coverage due to certain qualifying events. You will generally only experience a qualifying event if you are an Eligible Dependent and you lose coverage under the Plan because you become divorced or legally separated from your spouse. It is your responsibility to notify the HSBC Benefits Center at 1-800-847-0615 of a divorce, legal separation or other change in marital status, or change in a spouse's address, within 60 days of the event. Failure to timely notify the HSBC Benefits Center of any of these events could prejudice your rights to COBRA coverage.

Assuming that you timely provide the required notice to the HSBC Benefits Center, you will receive a COBRA Notice describing in detail your right to elect COBRA coverage. The COBRA Notice will explain how to elect COBRA coverage in detail, but generally, you must make your election within the later of sixty days after the date on which you receive the COBRA Notice or the date on which you lose coverage under this Plan. Your COBRA continuation coverage could last for up to 36 months, subject to certain conditions, including your timely payment of required COBRA premiums. Your required COBRA premiums will constitute an amount equal to 102% of the cost of your coverage under this Plan for similarly situated participants.

HIPAA Privacy and Security

The Plan is intended to comply with HIPAA privacy and security provisions. HSBC has a policy and procedures in place that comply with these provisions. You will receive a Notice of Privacy Practices and Security Practices from HSBC in accordance with the requirements of HIPAA. You will be notified of the availability of the Notice and how to get a copy every three years. If you need more information about your privacy and security rights or if you lose your copy of your Notice and would like another copy, please contact the Plan Administrator.

No Assignment

You may not assign your benefits payable under the Plan, except as provided by medical child support orders that are deemed "qualified" by the Plan Administrator.

Right of Recovery

This section applies if you receive reimbursement for an Eligible Medical Expense or a catastrophic prescription drug benefit from the Retiree HRA Plan and become entitled to payments or damages from a third party (for example, in connection with an auto accident) for the same medical condition. For this purpose, "medical condition" means any sickness, injury or condition for which the Retiree HRA Plan has paid catastrophic prescription drug benefits that is wholly or partially due to an act or omission of a third party for which the third party may be legally responsible to make payments. In these cases, the Retiree HRA Plan has a right to be reimbursed for, or to recover, benefits it paid to you from the monies you receive or are entitled to receive from the third party.

When you accept coverage from the Plan, you agree:

- To reimburse the Plan for any health care benefits paid by the Plan from any monies you receive or are entitled to receive from a third party because of a medical condition.

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- To assign to the Plan Administrator the right to recover health benefits paid by the Plan from any third party (including any insurer) that may be responsible or liable for that medical condition.

The Plan has the right to first reimbursement out of all funds you or you legal representative obtain:

- Whether or not you were “made whole”
- Without regard to any common fund or similar doctrine
- Regardless of whether the Plan’s benefits are identified as being included in the payment
- Regardless of whether liability for payment of the funds is admitted by the responsible party or any other source of the funds

The Plan’s recovery rights and first lien rights are not reduced because of your negligence or due to your attorney’s fees or costs.

The Plan may recover funds by constructive trust, equitable lien, right of subrogation, reimbursement, or any other remedy that may be deemed appropriate equitable relief under §502(a)(3) of ERISA. You are required to furnish any information, assistance or documents that the Plan Administrator requests to obtain the Plan’s rights under this provision.

If you or your legal representative obtains a recover or payment from a third party in connection with a medical condition and do not reimburse the Plan for benefits it paid for that medical condition:

- You and your legal representative will be liable to the Plan for the amount of the benefits the Plan paid and for costs and attorney’s fees to collect those amounts
- The Plan may reduce future benefits up to the amount of the payment that you or your legal representative has received from the third party
- The Plan may terminate your or your dependent’s future coverage under the Plan

Clerical Error

Clerical errors, such as incorrect birthdates or personal data, inaccurate effective or termination dates, incorrect benefit payments, or erroneous mailings will not change the rights and obligations of any person covered by the Plan and will not operate to grant additional benefits to any person covered by the Plan.

Recovery of Overpayments

If the Plan pays benefits due to a mistake, fraud, material misrepresentation, or failure to provide material information, you must repay the erroneous payment to the Plan immediately. By accepting coverage under the Plan, you agree that if you do not repay erroneous payments to the Plan promptly upon request, you will pay all attorneys’ fees the Plan incurs in successful attempts to recover such amounts. In addition to any other applicable recovery rights, the Plan has the right to erroneous payments from any future benefits payable to you or your dependents.

Lost Participants

Any benefit payable under the Plan will be deemed forfeited if, after reasonable efforts, YSA is unable to locate the individual to who payment is due.

Unclaimed Benefits

As a condition to any benefit entitlement under the Plan, any person claiming the benefit must present for payment the check evidencing such benefit within one year of the date of issue. If any check for a benefit payable under the Plan is not presented for payment within one year of the date of issue, the Plan shall have no liability for the benefit payment, the amount of the check shall be deemed a forfeiture, and no funds shall escheat to any state.

Incapacity

When an individual entitled to a payment from the Plan is under legal disability or, in the opinion of the Plan Administrator, is in any way incapacitated so as to be unable to manage his financial affairs, the Plan Administration or Claims Administrator, as applicable, may make payments or distributions to the individual's legal representative or, until a claim is made by a conservator or other person legally charged with the care of the person, to a relative or friend of that individual for that person's benefit. The Plan Administrator may also direct payments or distributions for the benefit of the individual in any manner which is consistent with the provisions of the Plan. Any payments made in accordance with these rules shall be a full and complete discharge of any liability for that payment under the Plan.

Plan Administration

This booklet describes Retiree HRA Plan benefits for eligible HSBC retired employees and their eligible dependents. Benefits, if any, for retirees and their dependents who are not eligible for benefits under the Retiree HRA Plan are described in another booklet.

This booklet is your Summary Plan Description for purposes of the Employee Retirement Income Security Act of 1974 (ERISA). It describes the highlights of your rights and obligations under the employee welfare benefit plan established by the Plan Sponsor, provided that you are a participant of the Plan. All of the details of the Plan are not provided. The operation of the Plan is covered by the Plan documents. For more information about Plan documents, refer to the **Your Rights Under ERISA** section below.

The Plan Sponsor reserves the right to change or discontinue the Plan at any time. This Summary Plan Description does not create a contract of employment and you do not have any vested right to benefits under this Plan.

Plan Name

HSBC – North America (U.S.) Retiree Health Plan

Plan Sponsor

HSBC North America Holdings Inc.
ATTN: Employee Law – Benefits
26525 N. Riverwoods Blvd, Suite 100
Mettawa, Illinois 60045

Plan Sponsor Employer Identification Number (EIN)

23-2186091

Plan Number (PN)

503

Agent for Service of Legal Process

The Plan Sponsor, as named above, is the Plan's agent for service of legal process. Accordingly, if legal disputes involving the Plan arise, legal documents should be served upon the Plan Sponsor.

Plan Type

The Plan described in this summary plan description is a welfare plan for purposes of ERISA. The Retiree HRA Plan provides benefits in the form of (a) a Retiree Reimbursement Account (RRA) which can be used to reimburse participants for eligible health expenses, and (b) certain catastrophic prescription drug benefits.

Plan Year

The financial records of the Plan are kept on a Plan year basis, beginning each January 1 and ending December 31.

Plan Administrator

HSBC – North America (U.S.) Benefits Administrative Committee
Attn: Employee Law – Benefits
26525 N. Riverwoods Blvd., Suite 100
Mettawa, IL 60045
Or call the HSBC Benefits Center at **1-800-847-0615**

The Plan Administrator and any representative designated by it have the discretionary authority and responsibility to supervise the administration of the Plan. To the extent not delegated to another named fiduciary or claims administrator, the Plan Administrator has full discretionary power to administer the Plan in all of its details, subject to applicable requirements of law. For this purpose, the Plan Administrator's powers include, but are not limited to, the following authority, in addition to all other powers provided by the Plan:

- To construe and interpret the terms of the Plan, to make factual findings, and to determine all questions arising under the Plan, including the power to determine rights or eligibility under the Plan and the amount, manner and timing of benefits, and to remedy ambiguities, inconsistencies and omissions, and
- To adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan, and to enforce the Plan according to its terms and rules and regulations adopted by HSBC or the Plan Administrator.

The Plan Administrator has delegated some of its duties and responsibilities to other organizations, as explained below. Decisions by the Plan Administrator or an authorized delegate are conclusive and legally binding on all parties.

Source of Payments, Day-to-Day Administration, and Administration of Claims and Appeals

Benefits under the Retiree HRA Plan are paid from the general assets of HSBC. The Retiree HRA Plan is administered by Aon Hewitt – Your Savings Account (“YSA”) in accordance with a contract with Aon Hewitt. Aon Hewitt's Claims and Appeals Management (“CAM”) division has a fiduciary role and has been delegated authority as a claims administrator to determine (a) claims for benefits, (b) claims for eligibility, and (c) appeals of benefit claim denials. The Plan Administrator retains the fiduciary role for determining appeals of eligibility claim denials.

Workers' Compensation and the Plan

The Plan does not replace and is not affected by any requirement for coverage under workers' compensation or any occupational disease act or similar law. Benefits that would otherwise be payable under the provisions of such laws are not paid by the Plan.

Plan Amendment and Termination

The Plan Sponsor reserves the right to modify, suspend, or terminate the Plan and the Retiree HRA Plan at any time. HSBC does not promise the continuation of any benefits, nor does it promise any specific level of benefits at or during retirement. Any change will be communicated in writing to participants.

If the Plan or Retiree HRA Plan ends, all coverage for eligible individuals will end immediately. Any such discontinuation will not affect valid claims that originated before the Plan or Retiree HRA Plan ended. In such instance, full benefits may not be paid.

Your Rights Under ERISA

As a participant in this Program you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Program participants are entitled to the following rights.

Receive Information

Receive information about your Plan and benefits,

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all Plan documents, including insurance contracts and a copy of the latest annual report (Form 5500 series) filed by the Program with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA), and
- Obtain, upon written request to the Plan Administrator, copies of all Plan documents and other Plan information, including insurance contracts, copies of the latest annual report (Form 5500 series), and an updated summary plan description (the Plan Administrator may make a reasonable charge for the copies).

Continue Retiree HRA Coverage

The Retiree HRA Plan will make COBRA continuation coverage available to eligible qualified beneficiaries who lose coverage due to certain qualifying events. You will generally only experience a qualifying event if you become divorced or legally separated from your spouse. It is your responsibility to notify the HSBC Benefits Center at 1-800-847-0615 of a divorce, legal separation or other change in marital status, change in a spouse's address within 60 days of the event. Failure to timely notify the HSBC Benefits Center of any of these events could prejudice your rights to COBRA coverage.

Assuming that you timely provide the required notice to the HSBC Benefits Center, you will receive a COBRA Notice describing in detail your right to elect COBRA coverage. The COBRA Notice will explain how to elect COBRA coverage in detail, but generally, you must make your election within the later of sixty days after the date on which you receive the COBRA Notice or the date on which you lose coverage under this Retiree HRA Plan. Your COBRA continuation coverage could last for up to 36 months, subject to certain conditions, including your timely payment of required COBRA premiums. Your required COBRA premiums will constitute an amount equal to 102% of the cost of your coverage under this Retiree HRA Plan for similarly situated participants.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including HSBC or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision, without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. However, you may not begin any legal action, including proceedings before administrative agencies, until you have followed and exhausted the Program's claims and appeals procedures. In addition, if you disagree with a Plan's decision, or lack thereof, concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse a Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest Area Office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or at:

Division of Technical Assistance and
Inquiries Employee Benefits Security
Administration U.S. Department of
Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

For more information on your rights and responsibilities under ERISA or for a list of EBSA offices, contact the EBSA by:

- Calling 1-866-444-3272, or
- Visiting their website at www.dol.gov/ebsa.

Appendix A: Which Plan Option Applies

Only certain classifications of Retirees and Dependents will transition to the Retiree HRA Plan. For example, to participate in the Retiree HRA Plan, you must be eligible for, and generally enrolled in, Medicare Parts A and B. Eligibility for the Retiree HRA Plan is determined on an individual basis, so it is possible that you will transition to the Retiree HRA Plan but some or all of your family members will remain covered under another retiree medical benefit option under the Plan. In those situations, an HRA will be established for those family members once they meet the eligibility requirements for the Retiree HRA Plan. The following chart provides additional detail regarding the coverage option (subject to satisfaction of eligibility rules) for various individuals:

If you are a:	You receive your benefits (subject to eligibility) from:
Post-65 Retiree	Retiree HRA Plan
Pre-65 Retiree (not Medicare eligible)	Pre-65 Retiree Medical Benefit Option
Pre-65 Retiree (Medicare eligible due to disability)	Either Pre-65 Retiree Medical Benefit Option or Retiree HRA Plan – to elect the Retiree HRA Plan, notify the HSBC Benefits Center of your Medicare eligibility
Post-65 Dependent	Retiree HRA Plan
Pre-65 Dependent (not Medicare eligible)	Pre-65 Retiree Medical Benefit Option
Pre-65 Dependent (Medicare eligible due to disability)	Either Pre-65 Retiree Medical Benefit Option or Retiree HRA Plan – to elect the Retiree HRA Plan, notify the HSBC Benefits Center of your Medicare eligibility
Medicare eligible Retirees and Dependents residing in foreign countries (and US Territories)	Retiree HRA Plan (you will need to certify that you have other coverage)
Post-65 survivors of Retirees	Retiree HRA Plan
Post-65 Retirees with end stage renal disease (ESRD) and Dependents	Retiree HRA Plan (you will need to notify the HSBC Benefits Center of your Medicare eligibility)
Active employees who will be eligible for retiree benefits upon retirement (not eligible for Medicare)	Upon retirement, Pre-65 Retiree Medical Benefit Option
Active employees who will be eligible for retiree benefits upon retirement (Medicare eligible due to disability)	Upon retirement, Pre-65 Retiree Medical Benefit Option
Medicare-eligible Dependents of active employees who will be eligible for retiree benefits upon retirement	Pre-65 Retiree Medical Benefit Option
Rehired Retirees	Pre-65 Retiree Medical Benefit Option (treated as other Retirees upon re-retirement)
Medicare-eligible Dependents of rehired Retirees	Pre-65 Retiree Medical Benefit Option

Glossary

Aon Exchange

The Aon Retiree Health Exchange, which is a private marketplace where you can purchase Supplemental Medicare Coverage or Medicare Part D Coverage.

Dependent

A spouse, Domestic Partner or child of a Retiree. Whether or not a spouse, Domestic Partner or child of a Retiree is a Dependent is determined based on the retiree group (see the definition of Retiree below) in which the Retiree falls.

Group A (Household International Retirees) & Group C (HSBC Bank Retirees):

If you are an Eligible Retiree that is a member of Group A or Group C, family members who were covered under a medical plan sponsored by HSBC on the date you retired may be covered under the Retiree HRA Plan, provided he/she meets all other eligibility conditions and is one of the following eligible dependents:

- Your spouse.
- Your Domestic Partner provided you both meet certain eligibility requirements (see the definition for Domestic Partner).
- Your or your spouse's (or Domestic Partner's) dependent children, including:
 - A natural child,
 - A stepchild,
 - A legally adopted child,
 - A child placed for adoption,
 - A child for whom legal guardianship has been awarded to you or your spouse or Domestic Partner.

For purposes of Group A or Group C Eligible Retirees, dependent children are defined to include the following individuals, subject to conditions and limitations described below:

- Any unmarried dependent child under 19 years of age.
- An unmarried dependent child who is 19 years of age or older, but less than 25 years of age, if you furnish satisfactory evidence of all the following conditions upon request:
 - He/she is not regularly employed on a full-time basis,
 - He/she is a full-time student, and
 - He/she is primarily dependent upon you for support and maintenance.

Group B (Certain Grandfathered Household Retirees):

If you are an Eligible Retiree that is a member of Group B, family members who were covered under a Household Health Plan on the date you retired may be covered under the Retiree HRA Plan, provided he/she meets all other eligibility conditions and is one of the following eligible dependents:

-
- Your spouse.
 - Your or your spouse's dependent children, including:
 - A natural child,
 - A stepchild,
 - A legally adopted child,
 - A child placed for adoption,
 - A child for whom legal guardianship has been awarded to you or your spouse.

For purposes of Group B Eligible Retirees, dependent children are defined to include the following individuals, subject to conditions and limitations described below:

- Any unmarried dependent child under 19 years of age.
- An unmarried dependent child who is 19 years of age or older, but less than 24 years of age, if you furnish satisfactory evidence of all the following conditions upon request:
 - He/she is a full-time student, and
 - He/she is primarily dependent upon you for support and maintenance.

Group D (Household Manufacturing Retirees):

If you are an Eligible Retiree that is a member of Group D, family members who were enrolled in the Plan when you initially enrolled may be covered under the Retiree HRA Plan, provided he/she is one of the following eligible dependents:

- Your eligible Spouse. You were able to enroll your Spouse, and your Spouse remains eligible under the Plan as long as you are legally married, you are not divorced or legally separated, and your marriage has not been annulled.
- Your children. At this time, there are no eligible children to whom this SPD would apply.

Group E (Williamsburg Savings Bank Retirees):

If you are an Eligible Retiree that is a member of Group E, family members who were enrolled in the Plan on January 1, 1988 may be covered under the Retiree HRA Plan, provided he/she is one of the following eligible dependents:

- Your eligible Spouse. You were able to enroll your Spouse, and your Spouse remains eligible under the Plan as long as you are legally married, you are not divorced or legally separated, and your marriage has not been annulled.
- Your children. You were able to enroll any of your children who are considered eligible for coverage under the Plan. At this time, the only eligible children to whom this SPD would apply are disabled dependent children (as described below) who were enrolled in the Plan on January 1, 1988.

Group F (Manhattan Savings Bank Retirees) & Group G (Former Trustees of Manhattan Retirees):

If you are an Eligible Retiree that is a member of Group F or Group G, family members who were enrolled in the Plan on May 2, 1990 may be covered under the Retiree HRA Plan, provided he/she is one of the following eligible dependents:

-
- Your eligible Spouse. You were able to enroll your Spouse, and your Spouse remains eligible under the Plan as long as you are legally married, you are not divorced or legally separated, and your marriage has not been annulled.
 - Your children. You were able to enroll any of your children who are considered eligible for coverage under the Plan. At this time, the only eligible children to whom this SPD would apply are disabled dependent children (as described below) who were enrolled in the Plan on May 2, 1990.

Coverage may continue for an unmarried dependent child who is not able to be self-supporting because of mental or a physical disability, if the child:

- Is not able to be self-supporting because of mental retardation or physical handicap, and
- Depends mainly on you for support.

Coverage will continue as long as the enrolled dependent is incapacitated and dependent, unless coverage is otherwise terminated under terms of the Plan.

You will need to provide the Plan Administrator (or its delegate) with proof of the child's incapacity and dependency within 31 days of the date coverage would otherwise have ended because the child reached a certain age. Before the Plan Administrator (or its delegate) agrees to this extension of coverage for the child, the Plan Administrator (or its delegate) may require that a Physician of its choice examine the child. The Plan will pay for that examination.

The Plan Administrator (or its delegate) may continue to ask you for proof that the child continues to meet these conditions of incapacity and dependency. Proof might include medical examinations at the Plan's expense. However, this information will not be requested more than once a year.

If you do not provide proof of the child's incapacity and dependency within 31 days of the Plan Administrator's (or delegate's) request, coverage for that child will end.

Domestic Partner

A domestic partner who was covered as your Dependent under a medical plan sponsored by HSBC on the date you retired. To be a Domestic Partner, you and your partner must have, under state or local law, entered into a same-sex marriage or civil union, or registered as domestic partners as applicable where permitted, *or* meet the following requirements:

- You and your partner have shared the same permanent residence for at least six consecutive months, and continue to share such residence,
- You and your partner have a single, committed, and intimate relationship,
- You and your partner are financially interdependent and meet at least three of these conditions:
 - Share joint ownership of real estate property,
 - Share joint ownership of a car,
 - Have a joint bank account or credit card,

-
- Have a will that designates the other as primary beneficiary, or
 - Have power of attorney for health care decisions for the other person,
 - You and your partner are not related by blood,
 - Neither you nor your partner is married to another person under either statutory or common law,
 - You and your partner are at least age 18, and
 - You and your partner are mentally competent.

An electronic Affidavit of Domestic Partnership form must be on file

Eligible Dependent

A Dependent who has satisfied the eligibility requirements described on page 7.

Eligible Medical Expense

An Eligible Medical Expense, as described on page 10.

Eligible Retiree

A Retiree who has satisfied the eligibility requirements described on pages 6-7.

Eligible Survivor

A surviving spouse or Domestic Partner of a Retiree who has satisfied the eligibility requirements described on page 7.

Part D Coverage

Any supplemental prescription drug coverage purchased on the Aon Exchange. If you cannot purchase Part D Coverage because you are a resident of a foreign country or if you are already enrolled in Medicare supplemental insurance and supplemental prescription drug coverage, you will be deemed to have enrolled in Part D Coverage upon your certification that you have other available coverage. This certification must be made on an annual basis. Please contact the HSBC Benefits Center (at **1-800-847-0615**) to learn how you can make this certification.

Plan

The HSBC – North America (U.S.) Retiree Health Plan.

Plan Administrator

The HSBC – North America (U.S.) Benefits Administrative Committee.

Retiree

You are a Retiree if you are a former employee of HSBC or any of its affiliates, or any predecessor of HSBC or any of its affiliates, or Household International, Inc. or a subsidiary thereof, and you meet the requirements of one of the following groups.

Group A (Household International Retirees):

You are a member of Group A if:

<p>1. Your original commencement date with Household International, Inc. (“Household”) was <i>before</i> January 1, 1990, AND</p>	<p>OR</p>	<p>1. Your original commencement date with Household was after December 31, 1989 but before January 1, 2005, AND</p>
<p>2. <i>At the time you retired</i>, you were employed on a regular basis as an active employee within the HSBC (before 2003, Household) controlled group of companies, with coverage as an employee under a medical plan sponsored by HSBC, AND</p>		<p>2. <i>At the time you retired</i>, you were employed on a regular basis as an active employee within the HSBC group (before March 28, 2003, the Household group), with coverage as an employee under a medical plan sponsored by HSBC (Household), AND</p>
<p>3. <i>At the time you retired</i>, you qualified for an immediate pension benefit from the HSBC-North America (U.S.) Pension Plan (before January 1, 2005, called the Household Retirement Income Plan) (the “Pension Plan”), AND</p> <p>a. On your last day of active employment, you were at least age 50 and had 15 years of service under the Pension Plan, OR</p> <p>b. On your last day of active employment, you were at least age 65 and had 10 years of service under the Pension Plan.</p>		<p>3. <i>At the time you retired</i>, you qualified for an immediate pension benefit from the HSBC-North America (U.S.) Pension Plan (before January 1, 2005, called the Household Retirement Income Plan) (the “Pension Plan”), AND</p> <p>a. On your last day of active employment, you were at least age 55 and had 15 years of service under the Pension Plan, OR</p> <p>b. On your last day of active employment, you were at least age 65 and had 10 years of service under the Pension Plan.</p> <p>HOWEVER, if your original employment commencement date is after January 1, 1995 and you are age 65 or older when you retire, you are not eligible for retiree medical coverage. If you attain age 65 after retirement, your retiree medical coverage will cease as of your 65th birthday.</p>

Group B (Certain Grandfathered Household Retirees):

You are a member of Group B if:

You are a **retired grandfathered U.S. retired employee age 65 or over of Household** who **retired before January 1, 1989 while covered under the Household Health Plan.**

Group C (HSBC Bank Retirees):

You are a member of Group C if:

1. Your most recent date of hire or rehire with HSBC Bank or an affiliate is **before January 1, 1993, AND**
2. *At the time you retired:*
 - a. You were **employed on a regular basis** as an active employee within the HSBC controlled group of companies, **with coverage** as an employee under a medical plan sponsored by HSBC, AND
 - b. You were **not a former employee of Republic National Bank, AND**
 - c. You **qualified for an immediate pension benefit** from the HSBC-North America (U.S.) Pension Plan (before January 1, 2005, called the HSBC Bank USA Pension Plan) (the "HBUS Pension Plan"), AND
 - d. On your last day of active employment, you:
 - i. Had **5 years of Credited Service** under the HBUS Pension Plan **after age 60, OR**
 - ii. Had **10 years of Credited Service after age 50, OR**
 - iii. Had **30 years of Credited Service after age 25, OR**
 - iv. **Qualified for a disability pension** benefit under the HBUS Pension Plan.

Group D (Household Manufacturing Retirees):

You are a member of Group D if:

You were determined to be **eligible for retiree medical benefits under a retiree health plan maintained by Household Manufacturing at the time your employment was transferred from Household Manufacturing** (no later than March 31, 1989).

Group E (Williamsburg Savings Bank Retirees):

You are a member of Group E if:

You are an **eligible Williamsburg Savings Bank retiree** and you were **enrolled in the Williamsburg Savings Bank Retiree Plan on January 1, 1988.**

Group F (Manhattan Savings Bank Retirees):

You are a member of Group F if:

You are a **Manhattan Savings Bank retiree** and you were **enrolled in the Manhattan Savings Bank Retiree Health Plan on May 2, 1990.**

Group G (Former Trustee of Manhattan Savings Bank):

You are a member of Group G if:

You were a trustee of Manhattan Savings Bank on December 18, 1989 and you were enrolled in the Manhattan Savings Bank Retiree Health Plan on May 2, 1990.

Retiree HRA Plan

The Retiree Health Reimbursement Arrangement Plan, which is a component of the HSBC – North America (U.S.) Retiree Health Plan.

Summary Plan Description or SPD

This booklet that describes your benefits under the Retiree HRA Plan.

Supplemental Medicare Coverage

Any Medicare supplemental insurance, such as Medicare Advantage and Medigap, purchased on the Aon Exchange. If you cannot purchase Medicare supplemental insurance because you are a resident of a foreign country or if you are already enrolled in Medicare supplemental insurance and supplemental prescription drug coverage, you will be deemed to have enrolled in Supplemental Medicare Coverage upon your certification that you have other available coverage. This certification must be made on an annual basis. Please contact the HSBC Benefits Center at 1-800-847-0615 to learn how you can make this certification.

Your Savings Account or YSA

Aon Hewitt - Your Spending Account (“YSA”). YSA provides certain administrative services for this Plan and has sole discretion to decide claims and appeals under the Plan.