

# A CAPITAL SECURE PRODUCT

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Guaranteed capital return\*

Plus

**125%**

of any growth (subject to averaging) in the FTSE-100 Index over the 5 year term

capped to a maximum

**61%**

on top of your original investment

Maximum return capital 61% – based on FTSE-100 growth (subject to averaging) of 48.8% or more, over the 5-year term equates to **10%pa** Gross/AER.

\* Less any withdrawals from the Cash ISA option.



**WEST BROMWICH**  
BUILDING SOCIETY

People you can trust

## The Accelerated Growth Bond ....

...is all about providing you with a guaranteed capital return of your investment (less any withdrawals from the cash ISA option).

In a nut shell, at the end of the term, that your original capital (less any withdrawals from the cash ISA option), plus the potential for **a maximum return capped at 61%, based on** the FTSE-100 Index growing (subject to averaging) by 48.8% or more, over the 5-year term – equates to 10% pa Gross/AER.

But remember, the Accelerated Growth Bond is a limited issue product and may be withdrawn at any time.

Also available as a cash ISA investment – with any interest received tax free – subject to normal ISA regulations. Please note that the Accelerated Growth Bond does not satisfy the Government standards for a deposit-based stakeholder product.

For the cash ISA option, where withdrawals have been taken (refer to page 4 table 'charges'), interest will be applied to the balance remaining at the time of Maturity. If you do not select the cash ISA option, your investment is subject to the deduction of income tax, unless you have registered to receive your interest gross and completed a form R85.

With this investment it's quite easy to say that **you can't lose your capital**, whatever happens to the performance of FTSE-100 Index.

Simply, your investment is linked to the Financial Times Stock Exchange 100 Index (FTSE-100 Index). The averaged performance of the index over a 5-year period will determine any growth on your investment.

**At the end of the product term, to 12 June 2013, you will receive:**

- the **full return of your capital** (less any withdrawals from the cash ISA option)

**PLUS:**

- **125% of any growth** (subject to averaging) in the FTSE-100 Index over the 5-year term, to 12 June 2013 capped to a maximum 61% on top of your original investment.

Your investment is subject to the deduction of income tax, unless you have registered to receive your interest gross and completed a form R85.

*What makes this investment great is that it provides you with **enhanced growth potential** and the security of knowing that your **capital is not at risk** – even if there was a substantial drop in the FTSE-100 Index.*

Please note that the Accelerated Growth Bond does not satisfy the Government standards for a deposit-based stakeholder product.

## The Accelerated Growth Bond at a glance

At a glance		
	Standard	Cash ISA
Why choose this product?	Consider this product if you are looking for a <b>guaranteed return of your capital</b> (less any withdrawals from the cash ISA option) plus the potential for any growth in the FTSE-100 Index.	
Who can invest?	Anyone aged 18 or over.	Anyone aged 16 or over.
Minimum investment	£2,000.	£2,000 Please note that if you do not invest your full annual cash ISA contribution, you will lose any entitlement not used.
Maximum investment	£500,000 (single); £1,000,000 (joint).	£3,600 annual cash ISA contribution. Transfer from previous years cash ISAs also permitted
Interest earned during Offer Period	Earned at the gross equivalent of Bank of England base rate.  Taxable, paid net (or gross where Tax-free R85 certificate provided).	
Investment term	Commitment to run for 5-years to 12 June 2013.	
Potential returns	Your original capital (less any withdrawals from the cash ISA option) <i>Plus</i> <b>125% of any growth</b> (subject to averaging) in the FTSE-100 Index over the 5-year term, to 12 June 2013 (capped to a maximum 61% on top of your original investment.)  Maximum return capped at 61% – providing the FTSE-100 Index grows (subject to averaging) by 48.8% or more, over the 5-year term equates to 10%pa gross/AER.	
Tax status	Taxable, paid net (or gross where Tax-free R85 certificate provided).	
Withdrawals permitted	None.	Two per tax year, for which a charge is made and which cannot be replaced. Third withdrawal in the tax year results in closure for which a charge is also made.
Charges	None.	A charge is made for each withdrawal and is equivalent to 180 days' interest, based on the prevailing rate of the Easy Access ISA. The charge is deducted from the interest when capitalised to the account.

*Gross means the contractual rate of interest payable before the deduction of income tax at the rate specified by law (the 'specified rate'). Net means the rate of interest which would be payable after allowing for deduction of income tax at the specified rate i.e. assuming rate of income tax at 20%. Tax-free means the contractual rate of interest payable where interest is exempt from income tax. Liability to tax may be subject to change in the future. AER stands for Annual Equivalent Rate and is a notional rate which illustrates the contractual rate (excluding any bonus) as if paid and compounded on an annual basis.*

## Key Features

### It aims

To provide you with an investment that:

- **Guarantees the return of your original investment** (less any withdrawals from the cash ISA option) even if the FTSE-100 Index falls.
- Provides the potential for an additional **gross payout based on the performance of the FTSE-100 Index** over a 5-year period. The payout will be calculated as **125% of any growth** (subject to averaging) **in the FTSE-100 Index** over the 5-year term (capped to a maximum 61% on top of your original investment.)

**Maximum return capped at 61%** providing the FTSE-100 Index grows (subject to averaging) by 48.8% or more, over the 5-year term equates to 10% pa Gross/AER.

- **For calculating growth, the FTSE-100 Index** is recorded when the Bond is issued (Initial Index Level) and the Maturity Index Level will be based on averaging of the daily close price of the index during the final year of the investment.
- Offers interest earned at the equivalent of Bank of England base rate during the Offer Period.

## Your commitment

- You invest a minimum single payment of at least £2,000. The maximum investment limit is £500,000 (single), £1,000,000 (joint applications) for the standard Accelerated Growth Bond; £3,600 for the cash ISA option (but you can transfer in amounts from previous tax years). If you would like advice on the Accelerated Growth Bond, you will need to take independent financial advice.
- You are happy to leave your money invested in the Accelerated Growth Bond until the maturity date, 12 June 2013, except for the cash ISA option, where two withdrawals can be made each tax year, for which a charge is made (deducted from interest when capitalised): refer to Specific Terms and Condition 17. A third withdrawal in a tax year results in closure and for which a charge is also made.

## Risk factors

- You cannot have access to your money (except in the case of the cash ISA option) until the Accelerated Growth Bond reaches maturity.
- The level of the FTSE-100 Index may fall as well as rise and past performance is no guide to future performance. Your money is not invested directly in shares or real estate.
- The FTSE-100 Index is used only as a measure to determine growth, so you do not benefit from any dividend income.
- The potential return may be reduced when compared to direct stock market investment, but direct stock market investment carries no guarantee of your original investment, nor a guaranteed return. We guarantee the return of your original investment (less any withdrawals from the cash ISA option) and 125% of any growth (subject to averaging) in the FTSE-100 Index over the 5-year term (capped to a maximum 61% on top of your original investment.)
- Although we guarantee to repay the amount of your investment (or remaining capital, in the case of a cash ISA Investment where withdrawals have been taken) on maturity of the Accelerated Growth Bond, the real value of the money you invest may depreciate in real terms, as a result of inflation.
- You should remember that past performance is not necessarily a guide to the future, and the value of investments may go down as well as up.
- With regard to ISA Accelerated Growth Bond, returns and interest will be based on the balance remaining on Maturity.
- The return on the Accelerated Growth Bond in real terms may be less than a building society account, depending on market conditions.

## Is this the right investment for me?

It will not be suitable, however, if:

- You will need access to your money at any time during the term of the Accelerated Growth Bond;
- You are looking for a short-term investment;
- You want a building society account that could pay more interest than the Accelerated Growth Bond's growth, depending on market conditions;
- You wish to invest directly in the stock market which offers no guarantee that your original investment will be returned;
- You want a regular income from your money;
- You haven't set aside any money for cash emergencies.

## The Index – what will your investment be linked to?

The Financial Times Stock Exchange 100 (FTSE-100) Index - is a well respected and widely used financial index. It combines 100 of the UK's largest blue chip companies, tracking their performance on a daily basis. Its results are widely publicised and appear on a daily basis, in national press and television programmes.

## How does the Accelerated Growth Bond work?

The significant dates are shown in the following steps:

What happens date	Date
<b>1</b> You make your investment during the Offer Period.	to <b>11 June 2008</b>
<b>2</b> At the end of the Offer Period, any interest earned at the equivalent of Bank of England base rate is added to your investment; this is used as the initial investment in the Accelerated Growth Bond when it opens on the Issue Date.	<b>12 June 2008</b> (the Issue Date)
<b>3</b> We record the levels of the FTSE-100 Index at the close of business on 12 June 2008 (or next working day). This value will be used for measuring any growth in the Index over the term of the product.  <b>Shortly after this date, we will send an Initial Index Level confirmation letter. This letter will contain the Initial Index Level of the FTSE-100 Index.</b>	<b>12 June 2008</b> (the Initial Index level)
<b>4</b> To determine the Maturity Index Level, the FTSE-100 Index <b>Maturity Index Level</b> is calculated by taking the average of the daily close prices from 12 June 2012, to 12 June 2013 inclusive.  <b>To calculate the Maturity Payout</b> , we subtract the Initial Index Level from the Maturity Index Level for the FTSE-100 Index.  You will receive the return of your original capital, together with 125% of any growth (subject to averaging) -capped to a maximum 61% on top of your original investment.	<b>12 June 2012 to 12 June 2013</b> (the Maturity Index level)
<b>5</b> <b>The Maturity Payment Date</b> of your maturing Accelerated Growth Bond will be on 19 June 2013. Shortly before this date we will send you a letter confirming the payment details.	<b>19 June 2013</b> (the Maturity Payment Date)

## Working out the potential return?

The table below shows what the maturity value of your Accelerated Growth Bond would be if you invested £5,000, assuming different levels of performance in the FTSE-100 Index.

**The figures provided are selected for illustration purposes only and are no guarantee of future maturity values.** All figures shown are gross and do not include any interest earned during the Offer Period. They also assume that no withdrawals are taken.

### At Maturity (12 June 2013)

Original Investment Amount	Initial Index Levels	Maturity Index Levels	Percentage change between Initial and Maturity Index Levels	payout percentage based on 125% of any growth (subject to averaging) in the FTSE-100 Index	Potential return including original Investment
£5,000	6,500	8,900	36.92%	46.15%	£7,307.69
£5,000	6,500	9,200	41.54%	51.92%	£7,596.15
£5,000	6,500	6,940	6.77%	8.46%	£5,423.08
£5,000	6,500	7,670	18.00%	22.50%	£6,125.00
£5,000	6,500	11,375	75.00%	Return capped at 61%	£8,050.00
£5,000	6,500	4,875	-25.00%	Return of original capital only	£5,000.00

PLEASE NOTE: Figures have been rounded to two decimal places and 125% of a growth (subject to averaging) is capped to a maximum 61% on top of your original investment.

### NOTES:

**The 'Initial Index Level'** is the FTSE-100 Index value, as recorded, at closing time on 12 June 2008 (or next working day). To determine the **'Maturity Index Level'**, we calculate the arithmetic mean of the FTSE-100 Index. The FTSE-100 Index Maturity Index Level is calculated by taking the average of the daily close prices from 12 June 2012, to 12 June 2013 inclusive.

## What happens to my money during the Offer Period?

During the offer period, your investment will receive interest at the equivalent of the Bank of England base rate. Please note the Bank of England base rate may vary from time to time. The interest earned will be added to your original capital (on a net basis, unless we hold a valid R85 form allowing interest to be added without deduction of tax or tax-free for a cash ISA), increasing your investment in the Accelerated Growth Bond. This will be invested on the Issue Date on 12 June 2008 (or next working day).

### How does the ‘averaging’ work?

The **Maturity Index level** for the FTSE-100 Index is calculated by taking the average of the daily close prices from 12 June 2012, to 12 June 2013 inclusive.

This means that if the FTSE-100 Index level falls significantly close to maturity, the Accelerated Growth Bond’s return is likely to be less severely affected. However, this will also mean that if the FTSE-100 Index level rises significantly close to maturity, this will also be averaged, which means that you will only benefit from some of the performance of this Index, which is likely to reduce the Accelerated Growth Bond’s return.

### How much should I invest?

To invest in an Accelerated Growth Bond, you need a minimum lump sum of £2,000 and must be at least 18 years of age (16 for a cash ISA investment). You may wish to take independent financial advice before applying.

Once you have made your investment, you will not be able to add to it. However, you will have the opportunity to invest in any subsequent products we issue, subject to availability and the terms and conditions of the new product.

Your investment is tied up for 5-years. When it comes to deciding how much you should invest, you should ensure you have enough money set aside in an easy access account that allows you to withdraw money when you need it. This is particularly important if you are concerned about your health (for example, because you are elderly or ill), which may require you to rely on your savings at some later date.

Please remember that monies invested in an Accelerated Growth Bond cannot be accessed or cashed in at any time before the Accelerated Growth Bond matures, except on the cash ISA option.

### Are there any charges?

There are no explicit initial or annual charges on the Accelerated Growth Bond. These are built into the contract terms. We don’t make a charge on the amount you invest, nor do we make a charge on the proceeds from your Accelerated Growth Bond when it matures.

Where you take out the Accelerated Growth Bond as a cash ISA and make withdrawals, you will be charged the equivalent of 180 days’ interest (based on the rate then current on the Society’s Easy Access ISA). This charge is deducted from the interest when capitalised to the account.

### How much will the advice cost?

**We have not given you any advice and the choice to invest in this Accelerated Growth Bond is your own. However, if you are concerned about any risk factors, or if you are unsure if the Accelerated Growth Bond is a suitable investment product for you, it is recommended that you should consider taking independent financial advice, which may incur a cost.**

### What happens when my Accelerated Growth Bond matures?

We will write to you shortly before the maturity date to let you know about the current reinvestment opportunities. If you decide that you do not wish to reinvest your maturing funds; we will pay you the maturity value of your Accelerated Growth Bond, by crediting either your building society or bank account. (A request for payment by cheque may incur a charge.)

## Is there any tax to pay on the Accelerated Growth Bond?

The proceeds from your Accelerated Growth Bond will be subject to income tax in the normal manner (unless you have taken the cash ISA option, in which case interest is free of income tax, provided the HM Revenue & Customs rules for cash ISAs are not breached).

If you qualify to have interest paid gross, we will require a completed R85 form (available on request), otherwise, the interest will be paid net and you will be subject to any additional tax, if you are a higher rate taxpayer at the time interest is paid.

Depending on your own particular circumstances, your age allowances and income tax credits may also be affected. You may receive more than one year's interest in one tax year, which may affect your tax position. If in doubt, please consult your own tax advisor before investing.

If you die, any eligibility to have interest paid gross or tax-free will cease and the proceeds of your Accelerated Growth Bond are paid to your estate. It may also be liable to inheritance tax.

This information is based on our understanding and interpretation of current tax legislation and the practice of HM Revenue & Customs, both of which may change in the future.

## What happens if I die before the Accelerated Growth Bond matures?

In the event of the death of a joint accountholder, the Accelerated Growth Bond will continue for the benefit of the remaining accountholder. At the time of death of a sole accountholder, funds will remain in the Bond until all legal aspects are finalised and the estate is settled. For non-ISA account holders interest will be based on the top rate Premium Share Account. If you are a cash ISA accountholder, the funds will become taxable from the date of death and the rate at which these funds will operate will be based on the Easy Access ISA Account.

Release of funds will require the correct legal documentation being available for inspection by the Society.

## What if I need some help?

Some medium term investments can be more complex than others. This leaflet provides factual information regarding the Accelerated Growth Bond to enable you to make a decision on the suitability of this product for your particular circumstances. If you are in any doubt about the suitability of the Accelerated Growth Bond, you will need to seek independent financial advice before making your final decision.

## Cancellation rights

You may, within 14 days of receipt of your deposit (only prior to the Issue Date in the case of non-ISA investments), change your mind and decide not to invest in the Accelerated Growth Bond. All we ask is that you write to us at: The West Bromwich Building Society, Investment Services, Principle Office: 374 High Street, West Bromwich, West Midlands, B70 8LR and we will return your investment in full to you. If you do not exercise your right to cancel, the Accelerated Growth Bond will proceed in accordance with your application.

## Law

The law of England and Wales applies to the Accelerated Growth Bond. Unless otherwise agreed, all communications and documentation in relation to the Accelerated Growth Bond will be in English.

## If you are not happy

You expect first class service and we aim to provide it. If you feel our service in any way falls short, please let us know. To help resolve your issues or concerns, we have an internal complaints procedure to ensure that your views are heard and dealt with quickly. In this way, we can try to put things right, as well as continually improve the service we give to our members.

## For complaints about how the Accelerated Growth Bond is sold

Any advice given about the suitability of this product would have come from the Financial Adviser who sold you the Accelerated Growth Bond. Therefore, if you have a complaint about how the Accelerated Growth Bond is sold, you should follow your adviser's complaints procedure.

## For complaints about the product

If your complaint relates to the Accelerated Growth Bond product or its administration, you should contact the West Bromwich Building Society by writing to: Investment Services, Principle Office: 374 High Street, West Bromwich, West Midlands, B70 8LR.

If you feel that we have not addressed your concerns satisfactorily, you may refer the matter to the Financial Ombudsman Service. Complaining to the Ombudsman won't affect your legal rights.

## Compensation

The West Bromwich Building Society is a member of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to a maximum of £35,000 of an investor's total shares and/or deposits (other than deferred shares - permanent interest bearing shares). Most investors are covered, including individuals and small firms. Although most shares and deposits in UK building societies are denominated in sterling, the euro and other European Economic Area currencies are also covered. Further details are available on request from the Society.

## What identification do I need?

Anyone wishing to open an account with a bank or building society must confirm proof of their identity in accordance with the provisions of any relevant legislation or codes of practice relating to anti money laundering activities. Please refer to your Independent Financial Adviser for more details.

## What do I do next?

To invest in an Accelerated Growth Bond, simply speak to your Independent Financial Adviser, who will take you through the application process.

# Accelerated Growth Bond Terms and Conditions

**These accelerated Growth Bond Terms and Conditions must, where the account is to be run as a Cash ISA, be read in conjunction with the Additional Terms and Conditions for Cash ISAs below. In case of conflict between these Accelerated Growth Bond Terms and Conditions and the Additional Terms and Conditions for Cash ISAs, the Additional Terms and Conditions for Cash ISAs will apply.**

## 1 Definitions

“*Offer Period*” means the period between and including 07 April 2008 and 11 June 2008. The product will close earlier if fully subscribed, and your funds will be returned, where received after such closure date.

“*Issue Date*” means 12 June 2008.

“*Maturity Date*” means 12 June 2013.

“*Maturity Payment Date*” means 19 June 2013.

“*Initial Index level*” means the FTSE-100 Index at normal closing time on 12 June 2008 (or next working day).

“*Maturity Index Level*” means the arithmetic mean of the FTSE-100 of the daily close prices from 12 June 2012, to 12 June 2013 inclusive.

“*Accelerated Growth Bond*” means the total amount received by the Society for the investment including any interest earned at the equivalent of Bank of England base rate during the Offer Period and added to the investment at close of business on 11 June 2008.

“*FTSE-100 Index*” means the Index of 100 leading stocks listed on the London Stock Exchange. This product is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (“*FTSE*”) or by The London Stock Exchange Plc (the “*Exchange*”) or by The Financial Times Limited (“*FT*”) and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE-100 Index (“*the Index*”) and/or the figure at which the said Index stands at any particular time on any particular day or otherwise.

The Index is compiled and calculated solely by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE nor Exchange nor FT shall be under any obligation to advise of any person of any error therein.

?*FTSE™*” and “*Footsie™*” are trade marks of London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence.

West Bromwich Building Society has been licensed by FTSE International Limited to use the name “*FTSE-100 Index*”.

Past performance should not be seen as a guarantee of similar future performance, as indices can go down as well as up.

“The Society” or “We” means West Bromwich Building Society and all references to “the Society” or “We” in these Accelerated Growth Bond Terms and Conditions are references to West Bromwich Building Society whose Principal Office is located at 374 High Street, West Bromwich, West Midlands, B70 8LR.

## 2 Investments

- a) The minimum investment in an Accelerated Growth Bond is £2,000. The maximum investment is £500,000 for a single account and £1,000,000 for a joint account.
- b) Additional investments may only be made, subject to availability and the minimum/ maximum investment criteria being met, up until and including 11 June 2008. It is not possible to make additional investments on or after the Issue Date (12 June 2008).
- c) We can only accept cheques made payable to the appropriate applicant(s). If a cheque is payable to joint names, e.g. A & B Smith, it can only be accepted if it is being paid into a joint account in the names of A & B Smith.

A cheque payable to A Smith can, however, be accepted into a joint account of A & B Smith.

Investments made by cheque take a minimum of six bank working days to clear, excluding the day the cheque is credited to the account.

The account is only available to individuals who are 18 years or older and ordinarily resident in the UK. The account is not available for businesses, clubs, charities or other organisations and cannot be held in trust.

## 3 Joint Accounts

- a) For joint accounts, in the case of the death of an account holder, subject to the required legal documentation being available for inspection by the Society, the account will continue in the name of the surviving account holder(s).
- b) Only the first named account holder has voting rights as ‘representative joint holder’ under The Society’s Rules.
- c) The Society requires a separate authority in writing by all joint account holders before the account can be operated by any one of the joint account holders. In the event of separation or relationship breakdown, the Society will change any joint account mandate from ‘either to sign’ to ‘both to sign’ when we become aware of relationship difficulties between the account holders. It is your responsibility to ensure that your instructions as to which account holders are allowed to make withdrawals (if applicable) are correctly stated when you complete the application form. Where you wish to amend your instructions – for example, if your circumstances change – you must provide such instructions to The Society in

writing, signed by all accountholders. Where you have opted for 'either to sign', this means that, in the event of a breakdown in the relationship, one accountholder could withdraw all the funds, unless we are advised otherwise in writing. The Society cannot be held responsible for any withdrawals made where such instructions have not been received by us.

## 4 Cooling off period

The applicant may, only prior to Issue Date, withdraw the deposit plus any interest earned at the equivalent of Bank of England base rate within 14 days of receipt of the original deposit once any cheques have cleared.

## 5 Over or under Subscription

- a) If insufficient funds are attracted, the Society reserves the right to withdraw the Accelerated Growth Bond within 14 days of the Issue Date and return all investments, together with any interest earned during the Offer Period.
- b) The Accelerated Growth Bond is a limited issue account and has a set total of funds available for investment. Once this limit is reached, any further investments received by the Society will be returned to the applicant or an alternative product offered.

## 6 Evidence of Investment

- a) A letter confirming the amount invested will be sent to you within 7 days of receipt of your application form by the Society and your cheque and/ or transfer to open the account. This letter is a record of your initial investment.
- b) An investment statement will be produced shortly after 12 June 2008, showing your investment plus any interest earned during the Offer Period. This statement is your record of the total amount invested in your Accelerated Growth Bond
- c) If the statement is lost, stolen or in possession of an unauthorised person, the Society must be notified immediately by calling the Society directly on 0845 456 7499.
- d) Failure to notify West Bromwich Building Society of a lost or stolen statement or certificate may result in the account holder being liable for any losses that are incurred.
- e) If you act fraudulently, you will be responsible for all losses on your account. If you act without reasonable care, and this causes losses, you may be responsible for the loss.

## 7 Withdrawals

- a) No withdrawals are permitted from your account after the end of the Offer Period and the investment cannot be closed by you prior to the Maturity Date (12 June 2013).
- b) Where a sole accountholder dies prior to maturity of the Accelerated Growth Bond the funds will remain in the account until all legal aspects are finalised and the estate is settled. As the account will not reach maturity, interest will

be paid on the amount of the original investment plus any interest earned during the Offer Period. The interest paid from the Issue Date until the date of closure will be based on the top rate of the Society's Premium Share Account. Current rates can be obtained at [www.westbrom.co.uk](http://www.westbrom.co.uk). Release of funds will require the correct legal documentation being available for inspection by the Society.

- c) Closures will all be paid by BACS to a nominated account held in the same name(s) as your Accelerated Growth Bond.

## 8 Interest/Maturity

- a) Until 11 June 2008 (or as otherwise determined by these Accelerated Growth Bond Terms and Conditions) all cheques paid into an Accelerated Growth Bond account will earn interest from the second working day following the date of receipt. Cash deposits and investments made by Bankers Order will earn interest from the calendar day following the date of receipt.
- b) The date of opening the Accelerated Growth Bond and the date(s) upon which any additional investments are made shall be the dates on which funds are credited to the Accelerated Growth Bond as shown by the Society's records.
- c) The Bond will earn interest at the equivalent of Bank of England base rate from the date of opening up to and including 11 June 2008. This interest will be added to the account at close of business on 11 June 2008.

N.B. clauses b) and c) are subject to clause 8a).

- d) On the Issue Date (12 June 2008), the value of your investment is linked to the performance of the FTSE-100 Index.

You receive:

- i) a **Guaranteed 100% return** of your initial capital AND
- ii) 125% of any growth (subject to averaging) in the FTSE-100 Index over the 5-year term, to 12 June 2013 (capped to a maximum 61% on top of your original investment.)
- e) Prior to the maturity, you will be advised in writing of other investment products that can be used for re-investment of the Bond. Where you request your maturing funds to be returned to you, the Society will ask for bank details from you, so that the payment can be made by BACS. In the absence of any instructions from you prior to the Maturity Date, the Bond will automatically be paid into a fixed rate product if available. Alternatively, if not available into a variable rate attracting the same rate as the top bond of the Society's Premium Share Account. Current rates can be obtained at [www.westbrom.co.uk](http://www.westbrom.co.uk).

## 9 Tax

- a) AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and

compounded once each year. Gross means the contractual rate of interest payable before deduction of income tax at the rate specified by law ('the specified rate') i.e. the rate of interest payable without UK income tax being deducted. Net is the rate of interest which would be payable after allowing for the deduction of income tax at the specified rate.

- b) Interest will be paid or credited after deduction of income tax at the specified rate or gross, subject to eligibility and the required R85 registration form being completed. Details of how United Kingdom non-taxpayers may register their eligibility to receive interest gross can be obtained from your Financial Adviser or your local Tax Office.
- c) The receipt of interest may affect the special tax relief available to investors aged 65 or over. You must declare any interest received on your tax return. The Society is also required to supply HM Revenue & Customs each year with particulars of interest paid to investors.
- d) Where the tax deducted exceeds an investor's tax liability (if any), a claim may be made to the HM Revenue & Customs for repayment of tax. For individuals whose income falls within the lower or basic rate bands, the tax deducted will match their liability to tax on the interest and they will have no more tax to pay on it.
- e) Individuals who are liable at the higher rate of income tax will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate tax due.

## 10 Notice of Changes/Communication Between the Society and You

- a) The Society reserves the right to vary the Accelerated Growth Bond Terms and Conditions including the manner in which interest is calculated, upon giving notice. If the change is to your disadvantage, the Society will notify you about it in writing at least 30 days before we make the change. At any time up to 60 days from the date of the notification, you may, without notice, switch your account or close it without having to pay any extra charges or interest for doing this. In respect of other changes to the Accelerated Growth Bond Terms and Conditions which are not clearly to your disadvantage, the Society may make such changes immediately and tell you about it within 30 days. If the Society has made a major change or a lot of minor changes in any one year, you will be sent a copy of the new terms and conditions or a summary of the changes.
- b) The Accelerated Growth Bond Terms and Conditions with which the Society intends to comply may be varied for the following reasons:
  - (i) To enable the Society to manage the account, in which the funds are held, more efficiently or at less cost;
  - (ii) To reflect market conditions and current banking practice;

- (iii) To comply with legal or regulatory requirements or to give effect to decisions of the Ombudsman, relevant governmental body, regulator or similar person or code of practice with which the Society intend to comply;
- (iv) To take account of an actual or proposed merger or transfer of business or conversion to a specially - formulated company.

Any interest rate to which the account (or any subsequent account with the Society to which the funds held in the account are transferred following closure of the Accelerated Growth Bond or on the death of a sole account holder) may be varied by the Society at any time (except during any period in which the interest is expressed to be linked to the performance of the FTSE-100 Index or at a fixed rate or any period where no interest rate applies) for any of the following reasons:

- (i) if there has been, or the Society reasonably expect there to be in the near future, a change in the Bank of England base rate or in interest levels generally;
- (ii) if investment interest rates have increased or decreased;
- (iii) to reflect market conditions generally;
- (iv) to take account of changes in the law, or any decisions, determinations, precedent, compelling guidance, regulations or instructions issued by a relevant government body, Ombudsman, regulator or similar person or any code of practice with which the Society intend to comply;
- (v) at the end of any period during which any fixed rate or concession or alternative rate (such as the Bank of England base rate) is in force;
- (vi) to make sure the Society's business is carried out prudently, efficiently and competitively;
- (vii) to make sure the Society can meet its obligations to third parties.

If any of the above reasons is found to be invalid, the Society may still vary the interest rate for any of the remaining valid reasons.

Where written notice of any change in interest rate applicable to your account is not required to be given under the terms of your account, then the changes will be notified as soon as it is practicable through the following means:

- (i) Advertisement in two national newspapers (within 3 days of the effective date of any change), which are usually the Daily Mail and either the Daily Times or the Daily Telegraph (or Sunday equivalents), where applicable;
- (ii) Posters and/or leaflets displayed in Society's Head Office and all of its branches; and
- (iii) On the Society's website [www.westbrom.co.uk](http://www.westbrom.co.uk) and our telephone lines (within 3 days of the effective date of any change).

- e) The Society will assume that any letter correctly addressed to an accountholder will be received within 3 days after posting it to the registered address.
- f) If the Society accidentally fails to send a communication to an accountholder, display a notice at their head office or branch, or communicate in the newspapers, this will not make the notice invalid.
- g) Your full name(s) and account number should be quoted on all correspondence with the Society. Any change of name and/or address should be notified in writing to West Bromwich Building Society, Investment Services, 374 High Street, West Bromwich B70 8LR.
- h) Telephone calls to the Society may be monitored and/or recorded for your security and your confidentiality will be maintained.

## 11 General

- a) The Society reserves the right to make reasonable charges in connection with the operation of the account (e.g. to cover the cost of administering the account) and debit such charges to the account. The Society's current charges are detailed in their tariff of charges leaflet; please note that the charges are subject to change and the Society reserves the right to introduce new charges or increase existing charges. The Society will notify you personally at least thirty days before the increase or new charge takes effect. Other taxes or costs may exist that are not paid through or imposed by the Society.
- b) From 21 January 1999, all accounts opened for individuals are share accounts and corporate accounts are deposit accounts. By holding a share account, you become a Member of the Society and subject to the Society's Rules. A copy of the Rules is available on request from The Society's Principal Office.
- c) The Society can repay all or part of an accountholder's investment at any time, without giving any reason, after giving the accountholder at least one month's notice in writing. In exceptional circumstances, such as those involving fraud, notice may not be given. Accountholders or their duly appointed representatives may only close a Accelerated Growth Bond on maturity, subject to Accelerated Growth Bond Term and Condition 7 and the Additional Terms and Conditions for cash ISA investments.
- d) The Society does not have to recognise the interest or claim of any person other than the accountholder(s) in respect of money held in the account, nor will the Society be liable in any way for failing to recognise such interest or claim, except as required by law.
- e) The Society has the right to retain and set off money in any account you hold with the Society against any money you owe to the Society which is due for payment but which has not been paid. The Society will give the accountholder notice in writing when this right has been exercised. Interest will not be paid on any money after it has been used in this way.
- f) If, within a reasonable period after the entry has been made on your statement, there is a dispute with the Society about a cheque paid from your account, the Society will give you the cheque or a copy as evidence. If there is an unreasonable delay after you have told the Society about it, they will add the amount of the cheque to your account temporarily until they have resolved the matter but you will be unable to withdraw this additional amount during that period.
- g) The Society will keep original cheques paid from your account, or copies, for at least six years unless they have already returned these to you.
- h) Dormant/Untraceable Accountholders. A 'dormant' savings account is one where the Society and the accountholder have lost touch with each other. If you have money in a dormant account, it will always remain your property (or, if you die, it will become part of your estate). This is the case no matter how many years pass. You should note that a statement indicating that an account has money in it is not evidence that the account is dormant and still has money in it.

You can contact the Building Societies Association and use their dormant account scheme, free of charge, by calling the consumer helpline 020 7437 0655 [ask for BSA Consumer Line] to request a leaflet. Alternatively, you can write to Dormant Account Scheme, BSA, 6th Floor, York House, Kingsway, London, WC2B 6UJ or download a leaflet from their website: [www.bsa.org.uk](http://www.bsa.org.uk)

- i) Account balances under £100 if, for a period of 3 years after maturity, an accountholder has not used their account and such accountholder cannot be traced after reasonable enquiry, the Society may close the account and the funds will be forfeited to the Society, unless or until the accountholder claims the funds, in which case the Society will either open an account in the accountholders name or repay the balance to the accountholder, including interest, if applicable.
- ii) Account balances £100 or over If, for a period of 5 years after maturity, an accountholder has not used their account and such accountholder cannot be traced after reasonable enquiry, the Society may close the account and the funds will be forfeited to the Society, unless or until the accountholder claims the funds, in which case the Society will either open an account in the accountholders name or repay the balance to the accountholder, including interest, if applicable.
- i) All the Society's dealings with you are governed by the law of England and Wales, and all communication will be in English. In the case of any dispute, a court in England or Wales will decide.

## 12 Market Disruption/Termination

- a) If, on or between the dates used to calculate the Initial Index Level, or Maturity Index Levels, there shall occur any disruption in the trading in such securities which comprise the index or a failure to announce the FTSE-100 Index, then the Index Level on the next succeeding business day when a market disruption does not occur shall be used to calculate the Initial Index Level and Maturity Index Level.
- b) If there is a fundamental change to the method of calculation of the FTSE-100 Index or the Index is not published for 60 consecutive days, or an announcement is made that the Index will no longer be published, or if the publication of the Index ceases, an alternative index deemed reasonable by the West Bromwich Building Society as a method of calculation will be used.

## 13 Charitable Assignment

The terms and conditions relating to the charitable assignment scheme are set out in full in the account opening application form. It includes an Agreement to Assign in the following terms:

“The words printed in italics in this section of the application form are explained in the notes at the end”.

- 1) Paragraphs 2 to 6, below will apply to me unless I am an exempt customer at the time when the account is opened.
- 2) I agree with the Society that, if the right to any windfall benefits is granted to me after the account is opened, I will assign those windfall benefits to the selected charity unless the period between my account being opened and the conversion announcement date is more than 5 years (or, if applicable, the shorter period).
- 3) I authorise the Society and the successor to pass any windfall benefits direct to the selected charity (or to any other charity which the selected charity may nominate to receive those benefits), without notice to me.
- 4) I understand that: the Society has promised to transfer to the selected charity the benefit of the agreement which I have given under paragraph 2, above; neither the Society nor the selected charity will release me from that agreement; and any power of the Society to change the terms of its contract with me will not apply to any of the terms set out in this section of the application form.
- 5) I authorise the Society to give the selected charity any information about me or any account which I have with the Society (now or in the future) – but only if the selected charity reasonably needs it regarding the agreement I have given under paragraph 2, above.
- 6) I understand that the Society will require anyone who opens a share account (who is not then an exempt customer) to agree to assign to charity the right to any windfall benefits to which that person may become entitled.

The terms of the agreement will be decided by the Society and may be different from the terms in paragraphs 1 to 5, above. This paragraph will no longer apply if the Society publishes a notice in the press of a decision by the Society that it will no longer require new shareholding members to enter into such agreements.

## Notes

These notes apply to paragraphs 1 to 6, above:

- a) The ‘account’ is the share account which you are applying to open by completing the relevant application form.
- b) The ‘conversion announcement date’ means the date on which the Society makes a public announcement of a proposal to transfer its business to a successor.
- c) The ‘current terms’ means terms which are the same as, or similar to, the terms set out in paragraphs 2 to 5, above.
- d) You are an ‘exempt customer’ when you open the account if: you have held shares in the Society on, and at all times since, 30 September 1999; or you have already entered into an agreement with the Society binding you to the current terms; or you belong to one of the groups of other people who, in the Society’s opinion, do not need to be asked to agree to the current terms. A list of these groups is available from the Society at any time. The Society may alter the number and composition of the groups from time to time, but no alteration will apply retrospectively.
- e) A person ‘opens’ an account either by opening a new account or by having an existing account transferred into his or her name (whether as sole or joint holder).
- f) The ‘selected charity’ means the Charities Aid Foundation or, if it is at any time no longer a registered charity, any other charity or charities selected by it to receive assignments of windfall benefits.
- g) A ‘shorter period’ is applicable if, when the Society opens your account, you belong to one of the groups of people who, in the Society’s opinion, do not need to be asked to agree to the usual 5 year period. A list of these groups, stating the periods applicable to them, is available from the Society at any time. The Society may alter the number and composition of the groups and the periods applicable to them from time to time, but no alteration will apply retrospectively.
- h) The ‘successor’ is any company or other corporate body to which the Society transfers its business under Section 97 of the Building Societies Act 1986 (or under any provision which amends or replaces it).
- i) A ‘windfall benefit’ is a benefit which a person has the right to receive as a shareholding member of the Society, under the terms of any future transfer of the Society’s business to a successor (i.e. on a conversion or take-over) other than:

the replacement of savings in a share account with the Society with savings in a deposit account with the successor, or any benefit which the Society has decided may be kept by a person who has a number of accounts and was an exempt customer when opening one or more (but not all) of them. A list setting out the conditions which determine whether, and to what extent, such a person may keep a benefit is available from the Society at any time. These conditions may be altered by the Society from time to time, but no alteration will apply retrospectively.

- j) Where more than one of you is signing this form, paragraph 1 and (if applicable) paragraphs 2 to 6, above, apply to each of you separately.
- k) If the Society no longer exists following a merger with another Building Society, paragraphs 2 to 6, above, will still apply between you and the other 'society'.

**Additional Terms and Conditions for cash ISAs. These must be read in conjunction with the above Accelerated Growth Bond Terms and Conditions. In the case of conflict between the Accelerated Growth Bond Terms and Conditions and these Additional Terms and Conditions for cash ISAs, these Additional Terms and Conditions for cash ISAs will apply:**

- 14 Accelerated Growth Bond Terms and Conditions numbers 2(a), 2(b), 3(a), 4, 7b, 9(b), 9(e) and 11(e) do not apply to cash ISA investments.
- 15 The minimum opening investment for the cash ISA is £2,000. The maximum opening investment in the cash ISA option is £3,600, but you can also transfer amounts from another cash ISA (previous years' entitlement).

PLEASE NOTE THAT THE ISA INVESTMENT COUNTS AGAINST THE 2008/09 TAX YEAR.

- 16 No further deposits may be made.
- 17 Two withdrawals are permitted each tax year (to 5 April), which cannot be replaced. A third withdrawal in a tax year will result in the account being closed and your funds returned to you. All withdrawals, including transfers and early closure, will result in a charge of 180 days' interest (based on the rate then applicable for the Society's Easy Access ISA, or equivalent, if not then available), deducted from the interest when capitalized to the account. Any growth at the end of the fixed term is based on the remaining balance, irrespective of when the withdrawals are made. The Society reserves the right at any time to limit the amount that may be withdrawn from the account, if the Society considers it necessary in order to protect the interests of its members as a whole.

Example of how 180 days' interest charge is calculated:

£100 withdrawn would incur an interest charge under the following formula:

$$\text{£100} \times \text{interest rate} \times \frac{180 \text{ days}}{365^*} = \text{£ charge}$$

\*366 if 29 February falls within current financial year.

Growth is then based on the remaining balance, irrespective of when withdrawals are taken.

All withdrawals must be made by a request made to the Society, who will arrange the withdrawal. Please call them on the customer helpline 0845 456 7499.

- 18 The bond you have selected is a fixed term investment until 12 June 2013 and withdrawals can only be made as stated in Condition 17 (above).

Prior to maturity, you will be contacted with details of reinvestment opportunities.

In the absence of any instructions from you prior to the Maturity Date, the account will automatically attract interest at the same rate as the Society's Easy Access ISA. If the Society does not have an appropriate variable rate cash ISA at that time, then your funds will automatically attract interest at the same rate as the top band of the Society's Easy Access cash ISA or other equivalent easy access account then available. Current rates can be obtained at [www.westbrom.co.uk](http://www.westbrom.co.uk).

- 19 Where a sole accountholder dies prior to maturity of the Accelerated Growth Bond the funds will remain in the account until all legal aspects are finalised and the estate is settled. As the account will not reach maturity, interest will be paid on the amount of the original investment plus any interest earned during the Offer Period less any withdrawals made. The interest paid from the Issue Date until the date of closure will be based on the top rate of the Society's Easy Access ISA Account. Release of funds will require the correct legal documentation being available for inspection by Society.
- 20 Transfer of an ISA to another authorised ISA Manager is permissible at Maturity Payment Date without charge, subject to receipt of the required indemnity authorisation from the proposed ISA Manager. The transfer should be implemented within a reasonable business period of the date requested and, in any case, within a maximum of 30 days. The Society will aim to effect any such transfers within five working days of receipt of the necessary authorisation.
- 21 The cash ISA will be operated in accordance with the appropriate Income Tax legislation ("The Government's rules"). The Government is responsible for the tax treatment of ISAs and for how long the favourable tax treatment will be maintained.

22 An Individual Savings Account is subject to Government rules and statutory conditions, including maximum annual contributions permitted. The favourable tax treatment may not be maintained. To qualify for the tax-free benefits of an ISA, it must be maintained in accordance with the Government's rules.

These include:

- a) A cash ISA may only be held by an individual aged 16 or over (18 for a stocks and shares ISA), in his or her sole name, and the account may not be held on behalf of another person other than the account holder.
  - b) An individual may not hold more than one cash ISA and one stocks and shares ISA in the same year.
  - c) Ownership of a cash ISA cannot be transferred.
  - d) Any rights of the account holder in respect of a cash ISA may not be assigned or used as security for a loan.
  - e) Withdrawals of interest credited may be made.
  - f) In the event of the death of the account holder, tax-exempt status will cease from the date of death. Interest accruing thereafter will be subject to income tax at the lower rate, before the money in the account is paid to the beneficiaries of the Estate.
- 23 A cash ISA and a stocks and shares ISA may be opened in the same tax year. In the same tax year, you can transfer a cash ISA to a stocks and shares ISA (subject to limits). However, you can not transfer a stocks and shares ISA to a cash ISA.
- 24 Accelerated Growth Bond Term and Condition 11(e) shall not apply to ISAs and the Society shall have no right to retain or set off money held in a Cash ISA where you owe money to the Society which is due for payment and has not been paid.

25 Cooling off period

You may withdraw the deposit plus any interest earned at the equivalent of Bank of England base rate within 14 days of receipt of the original deposit provided any cheques have cleared. Cheques will earn interest from the second working day following the date of receipt. Cash deposits and investments made by Bankers Order will earn interest from the calendar day following date of receipt.

Tax-Free means the contractual rate of interest payable where interest is exempt from income tax. Liability to tax may be subject to change in the future.

The West Bromwich Building Society is a member of the Financial Services.

Compensation Scheme established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to a maximum of £35,000 of an investor's total shares and/or deposits (other than deferred shares – permanent interest bearing shares). Most investors are covered, including individuals and small firms. Although most shares and deposits in UK building societies are denominated in sterling, the euro and other European Economic Area currencies are also covered. Further details are available on request from West Bromwich Building Society.

Commission will be paid to the Selling agent or an affiliate on all sales of the Plan of the sum invested. The amount of commission payable will therefore depend on the size of the investment. The commission is payable by the Account Manager (the Society) and will not affect the returns payable to investors under the Plan.

## Changes to ISAs from 6th April 2008

### ISAs held before 6th April 2008

These have changed as follows (please note that the Society only offers cash based ISAs, but the following list will explain the changes to both types of ISA):

#### ISAs offered by the West Brom and other providers:

- A mini cash ISA became a cash ISA
- TESSA only ISAs (TOISAs) were transferred to a cash ISA

#### ISAs offered by other providers:

- Mini stocks and share ISAs became stocks and shares ISAs
- The cash component of a Maxi ISA became a cash ISA
- The stocks and shares component of a Maxi ISA became a stocks and shares ISA
- A mini stocks and shares ISA became a stocks and shares ISA
- Personal Equity Plans (PEPS) were transferred to a stocks and shares ISA and became subject to ISA rules

#### Who can subscribe to a new ISA?

If you are aged 16 years or over, you are able to subscribe to a cash ISA. Anyone wishing to subscribe in a stocks and shares ISA must be at least 18.

If you are over 18, you can, in each tax year, subscribe to both a cash and stocks and shares ISA (subject to limits). However, you may not subscribe to two (or more) cash ISAs, or two (or more) stocks and shares ISAs in the same tax year.

If you open a cash ISA, you can transfer your funds to a stocks and shares ISA.

Providing this is a full transfer, which leads to the closure of your cash ISA, under HM Revenue & Customs regulations, you will be deemed to have a stocks and shares ISA and, subject to ISA limits, be able to open a new cash ISA in the same year.

However, once you have opened a stocks and shares ISA, HM Revenue & Customs regulations prevent you from transferring these funds to a cash ISA.

#### Investment limits

The overall investment limit for ISAs has increased to £7,200 (previously £7,000).

Subject to this overall investment figure, you can save up to £7,200 in a stocks and shares ISA, or a maximum of £3,600 in a cash ISA and £3,600 in a stocks and shares ISA.

If you choose to save in both types of ISA, you can save with the same, or a separate, provider for each.

#### Investment examples

If you subscribe to both a cash ISA and a stocks and shares ISA, your limits could be:

Cash ISA	Stocks and shares	ISA Total
£3,600	£3,600	£7,200
£2,000	£5,200	£7,200
£1,000	£6,200	£7,200
£0	£7,200	£7,200

*These examples are for illustrative purposes only.*

Calls cost 6p plus up to 2p per minute from a BT landline. Mobile and other providers' charges may vary.

Calls cost 6p plus up to 2p per minute from a BT landline. Mobile and other providers' charges may vary.

Calls and electronic communications may be monitored and/or recorded for your security and may be used for training purposes. Your confidentiality will be maintained.