

A CAPITAL SECURE PRODUCT

GUARANTEED RETURN BOND ISSUE 6

Providing you with
saving security and a
guaranteed return
at the end

*Performance (up or down)
is capped at 3% per quarter.
Full details are explained in this leaflet

4 year term until 03 December 2012
Maturity Payment Date 12 December 2012

- Four year savings bond linked to the performance of the FTSE-100 Index
- **Guaranteed 100% return** of your **initial capital** (less any withdrawals made from cash ISA version)
- **Cash ISA investment also available, PLUS:**
- **Guaranteed return at least 10%** over the four year term, **OR, if greater:**
- Up to a maximum of 48% return (only achievable given very favourable market conditions), dependent on the performance of the FTSE-100 Index, as calculated over 16 equal periods* during the four year term

Applications for the Guaranteed Return Bond (Issue 6) and any additional investments for ISA transfer applications must be received by 02 December 2008.

**In today's climate, why wouldn't
you want peace of mind
with the potential for growth?**

LIMITED ISSUE



WEST BROMWICH
BUILDING SOCIETY

People you can trust

SUMMARY BOX			
KEY PRODUCT INFORMATION FOR OUR SAVINGS ACCOUNT			
ACCOUNT NAME	Guaranteed Return Bond (Issue 6)		
INTEREST RATES (AERs)	N/A - Guaranteed Return Bond (Issue 6) is linked to the performance of the FTSE-100 Index over a four year period. Please refer to this leaflet for more details.		
TAX STATUS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Standard Investment Taxable, paid net (or gross, subject to eligibility and the required R85 registration form being completed).</td> <td style="width: 50%;">ISA Investment Tax Free</td> </tr> </table>	Standard Investment Taxable, paid net (or gross, subject to eligibility and the required R85 registration form being completed).	ISA Investment Tax Free
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CONDITIONS FOR BONUS PAYMENT	N/A		
WITHDRAWAL ARRANGEMENTS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Standard Investment No withdrawals permitted after the end of the Offer Period and the investment cannot be closed before the Maturity Date.</td> <td style="width: 50%;">ISA Investment Branch ISA: Two withdrawals per tax year, which cannot be replaced. A third withdrawal in tax year results in closure. Withdrawals are subject to branch cash withdrawal limits – please refer to the terms and conditions in this document, for more details. Direct ISA: Two withdrawals per tax year, which cannot be replaced. A third withdrawal in tax year results in closure. Withdrawals paid by BACS to a nominated bank / building society account. Withdrawals via any other method will incur a charge. Please refer to Tariff of Charges leaflet for more details. A charge for Branch or Direct is made for each withdrawal and is equivalent to 180 days’ interest, based on the prevailing rate of the West Brom’s Easy Access ISA. The charge is deducted from the interest when capitalised to the account.</td> </tr> </table>	Standard Investment No withdrawals permitted after the end of the Offer Period and the investment cannot be closed before the Maturity Date.	ISA Investment Branch ISA: Two withdrawals per tax year, which cannot be replaced. A third withdrawal in tax year results in closure. Withdrawals are subject to branch cash withdrawal limits – please refer to the terms and conditions in this document, for more details. Direct ISA: Two withdrawals per tax year, which cannot be replaced. A third withdrawal in tax year results in closure. Withdrawals paid by BACS to a nominated bank / building society account. Withdrawals via any other method will incur a charge. Please refer to Tariff of Charges leaflet for more details. A charge for Branch or Direct is made for each withdrawal and is equivalent to 180 days’ interest, based on the prevailing rate of the West Brom’s Easy Access ISA. The charge is deducted from the interest when capitalised to the account.
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ACCESS	Post or Telephone		

ADDITIONAL PRODUCT INFORMATION		
INVESTMENT TYPE	STANDARD TYPE	CASH ISA
Why choose this product?	Consider this product if you are looking for a guaranteed return of your capital and growth, plus the potential for a higher return , linked to the performance of the FTSE-100 Index, without the risk involved in investing directly in the stock market and with no risk to your capital.	
Who can invest?	Anyone	Anyone aged 16 and over
Minimum investment	£2,000	£2,000
Maximum investment	£1,000,000 (single) £2,000,000 (joint)	£3,600 annual cash ISA contribution transfers 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 R85 certificate provided)	Tax-free
Investment term	Commitment to run for four years to 03 December 2012	
Potential returns	EITHER: CAPITAL (less any withdrawals from cash ISA) PLUS 10% growth over the four year term. OR if greater: CAPITAL (less any withdrawal from cash ISA) PLUS up to a maximum of 48% return dependent on growth of the FTSE-100 Index, as calculated over 16 equal periods* during the four year term.	

Gross means the contractual rate of growth payable before the deduction of income tax at the rate specified bylaw (the specified rate) i.e without UK income tax deducted. Net means the rate of growth which would bepayable 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. *Performance (up or down) is capped at 3% per quarter.

Spreading your risk

The Guaranteed Return Bond (Issue 6) is a way of exchanging financial risk and reward – you do not need to risk your hard earned money to have a chance to gain a market linked return.

Following the principle of spreading your money to reduce the impact of any negative influences, the Guaranteed Return Bond (Issue 6) spreads the measurement of any growth over 16 equal periods. Each period is measured independently of the other and therefore helps smooth out any market volatility.

As a result the Guaranteed Return Bond (Issue 6) does not therefore offer an up-front interest rate. Instead, it provides a guaranteed return (which is greater than the return of your initial capital), at maturity, with the potential to earn even more, subject to the performance of the stock market.

Although stock market growth is much less predictable than the growth provided by a traditional savings account, and the daily value of the markets can go down as well as up, 'over time, they tend to offer better returns' – giving potentially more rewarding returns*.

To further enhance the chance of growth potential, the Guaranteed Return Bond (Issue 6) tracks the FTSE-100 Index, the UK's leading stock market index, covering the UK's 100 largest companies by market value.

Calculating the potential for a return above the minimum guarantee of 10%

The four year term is split into 16 equal sub-periods (quarter years) and the performance for each period is taken (capped at 3% growth or fall). Each period is independent of the others and once calculated, will be unaffected by any other events.

The 16 periods are then added together to give the level of any growth. Providing the level is above the minimum guarantee of 10% you could receive up to a maximum of 48% over the four year term (based on 3% growth over every quarter), depending on the performance of the FTSE-100 Index.

If the calculated growth of the FTSE-100 Index does not exceed 10% (equivalent to an average growth of 0.625% in each of the 16 quarters) over the four year term, you will receive the **guaranteed minimum 10% growth**. See page 4 for examples.

Not a stock market investment

It is important to remember that the Guaranteed Return Bond (Issue 6) is not the same as investing directly in company shares, as is the case with a direct stock market investment. Any additional growth, above the guaranteed minimum, may therefore return less than a direct stock market investment. It does however have the potential to return more than a standard building society savings account.

If you were to invest directly in the stock market, (unlike this investment type) you could benefit from any dividend income, but would not be guaranteed to receive your original investment, nor receive a guaranteed return.

* Information taken from 'Making savings work harder – A pocket guide to investing' Investment Management Association.

Working out potential return

The following two tables show examples of how the maturity value of the Guaranteed Return Bond (Issue 6) is calculated. The figures provided are selected for illustrative 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 and assume that no withdrawals are taken.

Table showing growth below the minimum 10% growth - therefore, the return would be 10%

QUARTER	PERIOD	INITIAL INDEX	FINAL INDEX LEVEL	GROWTH TOTAL	QUARTER
1	03 Dec 2008 - 03 Mar 2009	4,400	4,406	0.14%	0.14%
2	03 Mar 2009 - 03 Jun 2009	4,406	4,500	2.13%	2.13%
3	03 Jun 2009 - 03 Sep 2009	4,500	4,750	5.56%	3.00%
4	03 Sep 2009 - 03 Dec 2009	4,750	4,825	1.58%	1.58%
5	03 Dec 2009 - 03 Mar 2010	4,825	4,706	-2.47%	-2.47%
6	03 Mar 2010 - 03 Jun 2010	4,706	4,905	4.23%	3.00%
7	03 Jun 2010- 03 Sep 2010	4,905	4,420	-9.89%	-3.00%
8	03 Sep 2010 - 03 Dec 2010	4,420	4,650	5.20%	3.00%
9	03 Dec 2010 - 03 Mar 2011	4,650	4,800	3.23%	3.00%
10	03 Mar 2011- 03 Jun 2011	4,800	4,750	-1.04%	-1.04%
11	03 Jun 2011 - 03 Sep 2011	4,750	4,900	3.16%	3.00%
12	03 Sep 2011- 03 Dec 2011	4,900	5,102	4.12%	3.00%
13	03 Dec 2011 - 03 Mar 2012	5,102	4,950	-2.98%	-2.98%
14	03 Mar 2012 - 03 Jun 2012	4,950	5,200	5.05%	3.00%
15	03 Jun 2012 - 03 Sep 2012	5,200	5,005	-3.75%	-3.00%
16	03 Sep 2012 - 03 Dec 2012	5,005	4,700	-6.09%	-3.00%

Total Growth 9.36%

Table showing growth above the minimum 10% growth - in this case, the return would be 18.01% over the four year term

QUARTER	PERIOD	INITIAL INDEX LEVEL	FINAL INDEX	GROWTH TOTAL	QUARTER
1	03 Dec 2008 - 03 Mar 2009	4,400	4,406	0.14%	0.14%
2	03 Mar 2009 - 03 Jun 2009	4,406	4,500	2.13%	2.13%
3	03 Jun 2009 - 03 Sep 2009	4,500	4,750	5.56%	3.00%
4	03 Sep 2009 - 03 Dec 2009	4,750	4,825	1.58%	1.58%
5	03 Dec 2009 - 03 Mar 2010	4,825	4,706	-2.47%	-2.47%
6	03 Mar 2010 - 03 Jun 2010	4,706	5,001	6.27%	3.00%
7	03 Jun 2010- 03 Sep 2010	5,001	5,200	3.98%	3.00%
8	03 Sep 2010 - 03 Dec 2010	5,200	4,965	-4.52%	-3.00%
9	03 Dec 2010 - 03 Mar 2011	4,965	5,085	2.42%	2.42%
10	03 Mar 2011- 03 Jun 2011	5,085	5,250	3.24%	3.00%
11	03 Jun 2011 - 03 Sep 2011	5,250	5,450	3.81%	3.00%
12	03 Sep 2011- 03 Dec 2011	5,450	5,150	-5.50%	-3.00%
13	03 Dec 2011 - 03 Mar 2012	5,150	4,900	-4.85%	-3.00%
14	03 Mar 2012 - 03 Jun 2012	4,900	5,200	6.12%	3.00%
15	03 Jun 2012 - 03 Sep 2012	5,200	5,315	2.21%	2.21%
16	03 Sep 2012 - 03 Dec 2012	5,315	5,600	5.36%	3.00%

Total Growth 18.01%

Investment returns based on a £5,000 investment

INVESTMENT	GROWTH OVER TERM	INTEREST	CAPITAL RETURN	TOTAL RETURN
£5,000.00	9.36%*	£500.00*	5,000	£5,550.00
£5,000.00	18.01%	£900.55	5,000	£5,900.55

*Minimum 10% guarantee applies when calculating the interest

NOTES: 'Period' relates to the 16 equal sub-periods (quarter years) used to measure the growth of the FTSE-100 Index over its four year term, exact dates may vary as performance is measured on working days only. Each period is independent of the others and once calculated, will be unaffected by any other events. 'Initial Index' refers to the close level of FTSE-100 Index on the start date of each quarter. 'Final Index Level' refers to the average daily closing level of the FTSE-100 Index during the last month of each quarter. 'Total growth' relates to the sum of the 16 sub-periods.

Gross means the contractual rate of interest payable before the deduction of income tax at the rate specified by law (the 'specified rate') i.e. without UK income tax deducted. 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%. All rates quoted are correct at the time of going to print (10.08). Rates are illustrative only and have been rounded to two decimal places.

Key Features

It aims

To provide you with an investment that:

- **Guarantees the return of your original investment** (less any withdrawals taken – cash ISA option only), even if the FTSE-100 Index falls.
- Provides a **guaranteed return of 10%** over the four year term, or, if greater, up to a maximum of 48% return over the four year term. This is dependent on the growth of the FTSE-100 Index as calculated over 16 equal periods* during the four year term.
- 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 £1,000,000 (single), £2,000,000 (joint applications) for the standard Guaranteed Return Bond (Issue 6); £3,600 for the cash ISA option (but you can transfer in amounts from previous tax years). If you would like advice on this Guaranteed Return Bond (Issue 6), you will need to take independent financial advice.
- You are happy to leave your money invested in the Guaranteed Return Bond (Issue 6) until the maturity date (03 December 2012), except for the cash ISA option, where two withdrawals can be made each tax year, for which a charge is made (and deducted from the interest when capitalised to the account). A third withdrawal in a tax year results in closure.

Risk Factors

- In order to obtain the maximum 48% growth, the level of the FTSE-100 Index must rise by at least 3% during each of the 16 periods. Based on historical figures there is a probability that the maximum 48% growth will not occur.
- You cannot have access to your money (except in the case of the cash ISA option) until the Guaranteed Return Bond (Issue 6) reaches maturity.
- The level of the FTSE-100 Index may fall as well as rise and past performance is no guide to future performance. Accordingly, there is no guarantee that you will receive more than the return of your investment even in a rising market, plus the minimum 10% growth over the four year term.

*Performance (up or down) is capped at 3% per quarter

- Your money is not invested directly in shares. 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 is 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 made – cash ISA option only).
- Although we guarantee to repay the value of your investment (or remaining capital, in the case of a cash ISA investment where withdrawals have been taken), plus the minimum 10% growth over the four year term, on maturity of the Guaranteed Return Bond (Issue 6), 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 cash ISA Guaranteed Return Bond (Issue 6), returns and interest will be based on the balance remaining at Maturity.
- The Guaranteed Return Bond (Issue 6) may grow by 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 Guaranteed Return Bond (Issue 6)
- You are looking for a short-term investment
- You want a building society account that could pay more interest than the growth of the Guaranteed Return Bond (Issue 6), 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.

How does the Guaranteed Return Bond Issue 6 work?

The significant dates are shown in the following steps:

What happens	Date
1 You make your investment during the Offer Period.	to 02 December 2008
2 At the end of the Offer Period, any interest earned at the equivalent of Bank of England base rate is added to your investment at midnight on the 02 December 2008 and is used as the initial investment in the Guaranteed Return Bond (Issue 6) when it opens on the Issue Date.	03 December 2008 (the Issue Date)
3 During the four year term, the performance of the FTSE-100 Index is calculated over 16 equal periods (quarterly from the Issue Date). The performance for each quarter is calculated by comparing the close price of the FTSE-100 Index on the start day of the quarter, the 'Initial Index', with the average daily closing level of the FTSE-100 Index during the last month of the quarter, the 'Final Index Level.' The performance of each quarter is capped at 3% growth or fall.	03 December 2008 to 03 December 2012 (the Product Term)
4 We guarantee to return your original investment (or the balance remaining at that time, where you have chosen the cash ISA option and made withdrawals). In addition, the 16 quarterly performance figures are added together and if greater than the minimum 10% return over the term, will result in a payment of up to 48% over the term, depending on the final total. If the performance of the FTSE-100 Index does not exceed the calculated 10% growth over the term (equivalent to an average growth of 0.625% in each of the 16 quarters), you will still receive the guaranteed 10% growth . Please note: to achieve 48% growth the level of the FTSE-100 Index must rise by at least 3% during each of the 16 quarterly periods.	12 December 2012 (the Maturity Payment Date)

Other points of interest.

Are there any charges?

There are no explicit initial or annual charges on the Guaranteed Return Bond (Issue 6). 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 Guaranteed Return Bond (Issue 6) when it matures.

Where you take out the Guaranteed Return Bond (Issue 6) 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), which will be 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 Guaranteed Return Bond (Issue 6) is your own. However, if you are concerned about any risk factors, or if you are unsure if the Guaranteed Return Bond (Issue 6) 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 Guaranteed Return Bond (Issue 6) matures?

We will write to you shortly before the Maturity Date to let you know about the current reinvestment opportunities with the West Brom. If you decide that you do not wish to reinvest your maturing funds, we will pay you the maturity value of your Guaranteed Return Bond (Issue 6), either by crediting your building society or bank account. (A request for payment by cheque will incur a charge).

Is there any tax to pay on the Guaranteed Return Bond (Issue 6)?

The proceeds from your Guaranteed Return Bond (Issue 6) 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 ISA 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 one of our Financial Planning Managers or your own tax adviser before investing.

If you die any eligibility to have interest paid gross or tax-free will cease, and the proceeds of your Guaranteed Return Bond (Issue 6) will be paid to your estate, which may 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 Guaranteed Return Bond (Issue 6) matures?

In the event of the death of a joint account holder, the Guaranteed Return Bond (Issue 6) will continue for the benefit of the remaining account holder. At the time of death of a sole account holder funds will remain in the account until all legal aspects are finalised and the estate is settled. Interest will be based on the top rate of the Society's Premium Share Account. In addition, for any ISA accounts, the funds will also 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 Guaranteed Return Bond (Issue 6) 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 Guaranteed Return Bond (Issue 6), you will need to seek independent financial advice before making a 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 Guaranteed Return Bond (Issue 6). All we ask is that you write to us at: The West Bromwich Building Society, Structured Products, Principal 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 Guaranteed Return Bond (Issue 6) will proceed in accordance with your application.

Law

The law of England and Wales applies to the Guaranteed Return Bond (Issue 6). Unless otherwise agreed, all communications and documentation in relation to the Guaranteed Return Bond (Issue 6) 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 full details of the procedure to follow if you wish to make a complaint, please refer to the Guaranteed Return Bond (Issue 6) Terms and Conditions that follow in this document. 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 £50,000 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 a Guaranteed Return Bond (Issue 6), simply speak to your Independent Financial Adviser, who will take you through the application process.

Guaranteed Return Bond Issue 6 Terms and Conditions

These Guaranteed Return Bond Issue 6 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.

1 DEFINITIONS

"Offer Period" means the period between and including 22 October 2008 and 02 December 2008. The product will close earlier if fully subscribed, and your funds will be returned, where received after such closure date.

"Issue Date" means 03 December 2008.

"Maturity Date" means 03 December 2012.

"Maturity Payment Date" means 12 December 2012.

"Periods" relates to the 16 equal sub-periods (quarter years) used to measure the growth of the FTSE-100 Index over its four year term. Each Period is independent of the others and once calculated, will be unaffected by any other events.

The performance for each quarter is calculated by comparing the close price of the FTSE-100 Index on the start day of the quarter, the 'Initial Index', with the average daily closing level of the FTSE-100 Index during the last month of the quarter, the 'Final Index Level.'

"Initial Index" refers to the close level of FTSE-100 Index on the start date of each quarter.

"Final Index Level" refers to the average daily closing level of the FTSE-100 Index during the last month of each quarter.

"Total growth" relates to the sum of the growth in each of the 16 Periods and is used to determine if the Maturity Payment will be greater than the minimum 10% growth over the four year term.

"Guaranteed Return Bond (Issue 6)" means the total amount received by the Society for investment including any interest earned at the equivalent of Bank of England base rate during the Offer Period and added to the investment at midnight on 02 December 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 or Exchange or 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 or Exchange or FT shall be liable (whether in negligence or otherwise) to any person for any

error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise of any person of any error therein.

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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"* or *"West Brom"* means West Bromwich Building Society and all references to *"the Society"* or *"We"* in these Guaranteed Return Bond Issue 6 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 a Guaranteed Return Bond (Issue 6) is £2,000. The maximum investment is £1,000,000 for a single account and £2,000,000 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 02 December 2008. It is not possible to make additional investments on or after the Issue Date (03 December 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 accountholder, 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 accountholders before the account can be operated by any one of the joint accountholders. 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 accountholders 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 account holder 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 Guaranteed Return Bond (Issue 6) within 14 days of the Issue Date and return all investments, together with any interest earned during the Offer Period.
- b) The Guaranteed Return Bond (Issue 6) 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 03 December 2008, showing your investment plus any interest earned during the Offer Period. This statement is your record of the total amount invested in your Guaranteed Return Bond (Issue 6)
- 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 accountholder being liable for any losses that are incurred, except in instances where such losses are incurred due to the negligence of the Society.

- 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 (03 December 2012).
- b) Where a sole account holder dies prior to maturity of the Guaranteed Return Bond (Issue 6) 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. 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 Guaranteed Return Bond (Issue 6).

8 INTEREST/MATURITY

- a) Until 02 December 2008 (or as otherwise determined by these Guaranteed Return Bond (Issue 6) Terms and Conditions) all cheques paid into a Guaranteed Return Bond (Issue 6) 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 Guaranteed Return Bond (Issue 6) and the date(s) upon which any additional investments are made shall be the dates on which funds are credited to the Guaranteed Return Bond (Issue 6) 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 02 December 2008. This interest will be added to the account at midnight on 02 December 2008.

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

- d) On the Issue Date (03 December 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 (less any withdrawals made from cash ISA version).

AND

- ii) a guaranteed return of at least 10% over the four year term.

OR, if greater

- iii) Up to a maximum of 48% return over the four year term. Dependent on the performance of the FTSE-100 Index, as calculated over 16 equal periods* during the four year term.

*Performance (up or down) is capped at 3% per quarter. Full details are explained in the product leaflet.

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 be reinvested in a fixed rate bond subject to availability. If at the time of maturity there is not an appropriate fixed rate investment product, the bond will automatically attract interest at the same rate as the top band of the Society's Premium Share Account, other equivalent No Notice access account, or the West Brom's Easy Access ISA, as appropriate. Current rates can be obtained at 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 CHANGES TO TERMS AND CONDITIONS

(Other than relating to Interest and Charges)

- (a) The Guaranteed Return Bond (Issue 6) Terms and Conditions may be varied (including the manner in which interest is calculated) for the reasons set out in 10(b) below. This does not apply generally to changes to the rate of interest and charges which are dealt with under conditions 11 and 12, but it does apply to changes to interest rates which:
- (i) mean we do not pay interest when the amount in the bond is below a particular level; and
- (ii) introduce or alter "banding" provisions under which we pay different rates depending on the amount in the bond from time to time.

(b) The Guaranteed Return Bond (Issue 6) Terms and Conditions may be varied for the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):

- (i) to take account of, in a proportionate manner, changes which we reasonably make to our products or services or the way we provide them;
- (ii) to take account of, in a proportionate manner, changes in technology or general practice in the savings industry;
- (iii) to take account of, in a reasonable manner, changes in the law or the interpretation of the law, decisions, guidance or recommendations of an Ombudsman (including the Financial Ombudsman Service), regulator (including the Financial Services Authority) or similar person, or any code of practice with which we intend to comply;
- (iv) to enable us to harmonise, in a reasonable manner, the products or services we offer following any acquisition of savings accounts or any takeover of, or merger with another savings provider;
- (v) to maintain our financial strength in the interests of all our customers;
- (vi) to enable us to preserve our competitiveness while having regard to the interests of our savers, in the interests of our business as a whole;
- (vii) to correct errors, to clarify the meaning of a condition or make it easier to understand.
- (c) We can also make a change for any reason (other than a valid reason mentioned in condition 10(b)) where we reasonably believe the change is appropriate.

We will tell you this and that we are making the change in accordance with this condition 10(c) when we give you notice in accordance with 10(d).

- (d) If the change is to your disadvantage or made under condition 10(c), we will give personal notice about it in writing in accordance with condition 13(a)(i) 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 extra charges or interest for doing this. We may make any other change immediately and tell you about it within 30 days.
- (e) If we have made a major change or a lot of minor changes in any one year we will give you a copy of the new terms and conditions or a summary of the changes.

11 CHANGES TO RATES OF INTEREST

- (a) Any interest rate to which the bond (or any subsequent bond with the Society to which the funds held in the bond are transferred following closure of the Guaranteed Return Bond (Issue 6), or on the death of a sole account holder), is subject may be varied by the Society at any time (except during any period in which the interest is expressed to be at a fixed rate) if we reasonably believe that the change is to your advantage or is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):

- (i) to take account of, in a proportionate manner, a change in the Bank of England base rate;
 - (ii) to take account of, in a proportionate manner, changes generally in interest rates which other organisations offer in the savings market;
 - (iii) to enable us to preserve the competitiveness of interest rates charged to our borrowers, while having regard to the interest rates of our savers and our business as a whole;
 - (iv) to ensure that we have the appropriate level of money invested by individuals, in a prudent mix of fixed and variable rate savings accounts and at appropriate rates of interest, to enable us to sustain all our legal and prudential requirements;
 - (v) to take account of, in a proportionate manner, any increase or reduction in costs reasonably incurred by us in operating our savings products and in particular in providing and administering our savings accounts;
 - (vi) if it is necessary to maintain our financial strength in the interests of all our customers;
 - (vii) to enable us to harmonise, in a reasonable manner, the interest rates being paid to our savers following any acquisition of savings accounts or any takeover of, or merger with, another savings provider;
 - (viii) to take account of, in a proportionate manner, changes in the law or the interpretation of the law, decision, guidance or recommendation of an Ombudsman (including the Financial Ombudsman Service), regulator (including the Financial Services Authority) or similar person, or any code of practice with which we intend to comply.
- (b) When we change the rate of interest on your account under condition 11(a) we will give you notice in one of the ways set out in condition 13. If your account is postal, telephone or branch based with a balance of £500 or more we will give you personal notice in accordance with condition 13(a)(i) within 30 days of the change.

12 CHARGES

- (a) The Society reserves the right to make reasonable charges in connection with the day to day operation of the account to reflect reasonable expenses we reasonably incur and the cost of staff time and the use of our office and computer facilities. We will debit such charges to your account. We will tell you about our current charges in our tariff of charges. We can change the charges we make at any time. We may introduce new charges detailed in the tariff of charges or increase an existing charge detailed in our tariff of charges if any one or more of the following reasons apply or if we reasonably expect any of them to apply:
- (i) to take account of, in a proportionate manner, an increase in a cost to us which is reasonably incurred in carrying out the work for which the charge is made;
 - (ii) to reflect reasonably the costs of the activity and the charges for similar activities made by other savings providers;
 - (iii) to reflect changes which we may reasonably make in the activity we carry out or in the service we provide, or to provide new services;

- (iv) to maintain our financial strength in the interests of all our customers;
- (v) to take account of, in a reasonable manner, changes in the law or the interpretation of the law, decisions, guidance or recommendations of an Ombudsman (including the Financial Ombudsman Service), regulator (including the Financial Services Authority) or similar person, or any code of practice with which we intend to comply;
- (vi) to enable us to harmonise, in a reasonable manner, the charges being paid by our savers following an acquisition of savings accounts or any takeover, or merger with another savings provider.

Where we introduce new charges, or increase existing charges under this condition 12(a) we will tell you about the change not less than 30 days before it takes effect by giving you personal notice in accordance with condition 13(a)(i).

- (b) We can also change the charges for any valid reason (other than a valid reason mentioned in condition 12(a)), where we reasonably believe the change is appropriate. Where we do so you can within 30 days of our notifying you of any change and without having to give any notice, switch your account or close it without having to pay any extra charges or lose any interest due up to the date of switching/closure for doing this. We will tell you this, and that we are changing the charges in accordance with this condition 12(b) when we give you personal notice of the change in accordance with condition 13(a)(i).
- (c) Please note other taxes or costs may exist that are not paid through or imposed by the Society.

13 COMMUNICATION BETWEEN THE SOCIETY AND YOU

- (a) We can give you notice about your account in one of the following ways:
- (i) personal notice, which will be an individual letter or other personal communication sent by post to your last known address in our records. We will not give you personal notice in circumstances when we would normally do so, whether as a result of these conditions or otherwise, if we have a good reason to believe that you will not receive the notice; or
 - (ii) where written notice of any change is not required to be given under the terms of your account, then the change will be notified to you as soon as possible through each of the following means: advertisement in at least two newspapers (within 3 days of the effective date of any change) which are usually: (locally) the Birmingham Evening Mail or the Express and Star and, (nationally) the Daily Mail or the Daily Telegraph (or Sunday equivalents); posters and/or leaflets displayed in Principal Office and all branches; and on our website www.westbrom.co.uk and our telephone lines.
- (b) The Society will assume that any letter correctly addressed to an account holder will be received within 3 days after posting it to the registered address.
- (c) If the Society accidentally fails to send a communication to an account holder or display a notice at its Principal Office or any

branch office or in any newspaper, this will not make the notice invalid.

- (d) 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 the West Bromwich Building Society, Structured Products, 374 High Street, West Bromwich, West Midlands, B70 8LR as soon as possible.
- (e) Telephone calls may be monitored and/or recorded for your security and your confidentiality will be maintained.
- (f) The Society reserves the right to refuse an application or close the bond without notice within the offer period, in which case the original investment will be returned with interest calculated at the rate applicable.

14 SEVERANCE

- (a) If any provisions of these Guaranteed Return Bond (Issue 6) Terms and Conditions is found by any court, ombudsman or other competent body to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of these Guaranteed Return Bond (Issue 6) Terms and Conditions which shall remain in full force and effect.
- (b) If any provision of these Guaranteed Return Bond (Issue 6) Terms and Conditions is so found to be invalid or unenforceable but would be valid if some part of the provision were deleted, such deletion will be made as is necessary to make it valid or enforceable.
- (c) You and we agree, in the circumstances referred to in condition 14(b), and if condition 14(b) does not apply, to attempt to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid or unenforceable provision.

15 GENERAL

- a) 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.
- b) The Society can repay all or part of an accountholder's investment at any time, without giving any reason, after giving the account holder 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 Guaranteed Return Bond (Issue 6) on maturity, subject to Guaranteed Return Bond (Issue 6) Term and Condition 7 and the Additional Terms and Conditions for cash ISA investments.
- c) The Society does not have to recognise the interest or claim of any person other than the account holder(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.
- d) 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 account holder 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.

- e) 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, the Society will add the amount of the cheque to your account temporarily until the Society has resolved the matter but you will be unable to withdraw this additional amount during that period.
- f) The Society will keep original cheques paid from your account, or copies, for at least six years unless we have already returned these to you.
- g) Dormant/Untraceable Accountholders. A 'dormant' savings account is one where the Society and the account holder 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

- i) Account balances under £100 - if for a period of 3 years after maturity, an account holder has not used their account and such account holder 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 account holder claims the funds, in which case the Society will either open an account in the accountholders name or repay the balance to the account holder, including interest, if applicable.
- ii) Account balances £100 or over - if for a period of 5 years after maturity, an account holder has not used their account and such account holder 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 account holder claims the funds, in which case the Society will either open an account in the accountholder's name or repay the balance to the account holder, including interest, if applicable.
- iii) 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.

16 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.

17 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 Guaranteed Return Bond (Issue 6) Terms and Conditions. In the case of conflict between the Guaranteed Return Bond (Issue 6) Terms and Conditions and these Additional Terms and Conditions for cash ISAs, these Additional Terms and Conditions for cash ISAs will apply:

- 18 Guaranteed Return Bond (Issue 6) Terms and Conditions numbers 2(a), 3(a), 4, 7(b), 9(b), 9(e) and 15(d) do not apply to cash ISA investments.
- 19 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.
- 20 No further deposits may be made after the offer period.
- 21 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 capitalised 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 us on the customer helpline 0845 456 7499.

- 22 The bond you have selected is a fixed term investment until

03 December 2012 and withdrawals can only be made as stated in Condition 21 (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 be placed in an appropriate alternative account then available. Current rates can be obtained at www.westbrom.co.uk.

- 23 Where a sole accountholder dies prior to maturity of the Guaranteed Return Bond (Issue 6) 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 (or equivalent, if not then available). Release of funds will require the correct legal documentation being available for inspection by Society.
- 24 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.
- 25 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.
- 26 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.
- 27 Any breach of the rules which no longer makes the account an ISA will mean it will earn interest at the same rate as the bottom band of a West Bromwich Building Society Premium Share Account, or equivalent available at that time.
- 28 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 cannot transfer a stocks and shares ISA to a cash ISA. For the avoidance of doubt, transfers from the Guaranteed Return Bond (Issue 6) cash ISA shall be considered withdrawals for the purposes of these terms and conditions.
- 29 Guaranteed Return Bond (Issue 6) Term and Condition 15(d) 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.

30 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.

31 VOID ISA's

We will notify you if, by reason of any failure to satisfy the provisions of the ISA regulations, an ISA has, or will, become void.

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 £50,000 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.

FORMAL COMPLAINTS AND DISPUTES PROCEDURE

The West Bromwich Building Society aims to provide the highest standard of service in all our dealings with our members. However, there may be occasions when you feel that we have failed to achieve an acceptable standard and you wish to make a complaint. Following our complaint procedure does not affect your legal rights.

Stage 1 – If you need to make a complaint

We will aim to resolve your concerns within 24 hours of receipt. However, there may be occasions where it will take longer to investigate the issues raised. If this is the case, we will write to you within 48 hours to let you know what will happen next.

The staff with whom you first raise your concerns are often able to resolve matters, but sometimes, other areas of the business need to be involved. If you are unsure as to whom you should contact, you can either telephone the Customer Relations Team on 0845 338 7256, or alternatively, write to us at:

Customer Relations

West Bromwich Building Society, Principal Office,
374 High Street, West Bromwich B70 8LR

We will make sure that your complaint is then passed to the right person. We will attempt to respond within 14 days of receiving your complaint. However, if this is not the case, we will write and advise you of the stage our investigations have reached.

Stage 2 – Customer Care

If you remain unhappy with the response provided, you can ask for your complaint to be referred back to the Customer Relations for further review by a member of the Executive. After you have received the Society's final response, if you remain dissatisfied, you can ask the Financial Ombudsman Service to help. The Society fully supports the Ombudsman scheme, which is a free, independent service for resolving complaints or disputes with financial firms. You can contact the Financial Ombudsman Service at:

The Financial Ombudsman Service,
South Quay Plaza, 183 Marsh Wall, London, E14 9SR
Phone: 0845 080 1800
Email: enquiries@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

CHANGES TO ISA's 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 shares 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
- Maxi stocks and shares ISAs became stocks and shares ISAs
- 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. This must be 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:

These examples are for illustrative purposes only.

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.