

Call:

(00 350) 200 41143

Monday to Thursday 9am to 5pm | Friday 9.30am to 5pm

or visit us online:

www.newcastle.gi

Call into your local Gibraltar branch at:

197-201 Main Street

Savings

General Terms & Conditions

Date effective 4 September 2011

Principal Office: Portland House, New Bridge Street, Newcastle upon Tyne NE1 8AL.

Newcastle Building Society (NBS) is authorised and regulated by the Financial Services Authority (FSA) and is entered in the FSA's register under number 156058. NBS introduces to Newcastle Financial Services Limited (NFSL). NFSL is an appointed representative of Openwork Limited, which is authorised and regulated by the FSA.

Details are correct as at time of print (September 2011). GDEV115



Important Information

From 1 November 2009 the Financial Services Authority (FSA) introduced a new Banking Conduct regime which includes the Payment Services Regulations and the Banking Conduct of Business rules.

The Payment Services Regulations have been introduced as a result of new European rules which are intended to make Europe's payments system clearer and more straightforward. The rules mean that banks and building societies must meet the same standards when making and receiving payments.

The FSA's Banking Conduct of Business rules govern the way in which banks and building societies do business with their customers and replace the existing Banking Code.

The changes to your terms and conditions are all either beneficial to you as a customer or have been made to provide greater clarity.

Note: A new 'moneymadeclear' flyer and booklet has been designed by the FSA to replace the Banking Code literature. Information is available via www.moneymadeclear.fsa.gov.uk

Your Account

There is no need to do anything as a result of these changes, the features and interest rates of your saving(s) accounts are not affected.

You will see from section 6 that we will treat payment accounts and non payment accounts differently if we make any changes to your conditions or interest rate.

We will advise you in the Product Special Conditions of your account if we treat your account as a payment account.

General Terms & Conditions

Where there is a conflict between these General Conditions and the Product Special Conditions contained in the product terms, the Product Special Conditions will prevail. All dates shown apply to close of business on the day in question.

1. Definitions

"Account" means the account you take with The Newcastle as detailed in these Terms & Conditions and the accompanying Product Special Conditions

"Account Holder" means the person(s) in whose name the Account is held; in the case of joint Account holders it means either or both of you depending on the circumstances

"Automated Payments" means any automated payments into and out of your Account which includes BACS, CHAPS, standing orders, Direct Debits and payments using our online and telephone banking services. Not all Automated Payments are available on all Accounts.

"AER" stands for the Annual Equivalent Rate, a notional rate which illustrates what the contractual interest rate would be if paid and compounded on an annual basis

"Application Form" means the application form you complete when you open an Account

"BACS" is a way of electronically transferring funds from one account to another

"Business Day" means any day except Saturdays, Sundays and English/Gibraltar Bank Holidays

"CHAPS" stands for the Clearing House Automated Payment System and is the process for making an electronic bank-to-bank same day sterling payment within the United Kingdom

"Closing Date" means the closing date for a product offer, as detailed on the product Special Conditions, or earlier if fully subscribed

"Cut-Off Time" means the cut-off time on any Business Day for receipt of your instructions and authorisation to undertake Automated Payments from your Account set out in condition 9.8

"Gross Interest" means the contractual rate of interest payable before the deduction of income tax

"Investment" means the amount you invest in the Account

"Investment Date" means the date on which your investment is placed into the Account

"Maturity Date" means the date on which the Account matures, as detailed in the product Special Conditions

"Net" means the rate of interest which would be payable after allowing for the deduction of income tax at the specified rate

"Passbook/Passcard" means the Account document provided to log any transactions on your Account

"Payment Account" means a Payment Account as defined in The Payment Services Regulations 2009 and the regulatory guidance that applies to those Regulations. We will tell you if we treat your account as a Payment Account

"Reference Rate" means any externally set interest rate such as Bank of England Base Rate

"Product Summary Box" is found within the Product Special Conditions and details important information specific to your Account

"Special Conditions" means the particular terms and conditions for your Account which we set out in the Product Terms

"The Newcastle" means Newcastle Building Society whose principal office is at Portland House, New Bridge Street, Newcastle upon Tyne, NE1 8AL, and the Society will also be construed accordingly

"We/our/us" means the Society

"You/your" means the Account Holder in whose name(s) the Account is held.

2 Applications

2.1 To open an Account you must send your Investment and your completed application to the Society. When an Investment is made by cheque it will earn interest from the second Business Day after receipt. When an Investment is made in cash or bank transfer or from another account with the Society (cleared funds) or an Automated Payment, interest is paid from the day of receipt.

2.2 Accounts are only available to Gibraltar residents and are not available for businesses, clubs or charities and cannot be held in trust, unless specified in the product Special Conditions.

2.3 All funds deposited must belong to you or the registered beneficiary on whose behalf you are acting

2.4 The Newcastle reserves the right to reject any application at its discretion. If an application is rejected any funds paid into the Account will be returned within 10 Business Days of receipt without interest.

3 Money Laundering Regulations

Whenever you commence a business relationship with us we are required by law to check your identity and verify your address details to satisfy the current regulations. We may do this electronically, using an appropriate external agency or ask for documentary evidence. We will check your identity and/or residency at the time you submit your application and may conduct

further due diligence checks at any time during your business relationship with us. We reserve the right to delay or decline the processing of your application or instructions until we have received satisfactory evidence of identity and verification of address.

If you send us a cheque to open your Account before we have successfully completed our verification of your identity and residence, we will bank your cheque but will not credit the proceeds to your new Account immediately. Once your identity/residence has been verified, the funds will then be applied to your Account and interest will be earned from the date your deposit qualified to earn interest. If you send us a telegraphic transfer for the credit of your Account before we have successfully completed our source of wealth/source of funds criteria, we will credit your Account and pay interest from the date of your deposit. If we cannot verify your identity or be satisfied about the source of wealth/source of funds criteria within 30 days then, subject to compliance with regulatory requirements, we will return the funds by BACS or cheque without interest and this will be made payable to the bank/drawer and the account number of the bank/building society of the source funds only. This means that the funds can only be paid back to the originating source and we will not change this under any circumstances.

4 Use of Your Personal Information

4.1 We will hold information about your Account(s) for business analysis to develop and test products and services, fraud prevention and to keep your records accurate and up-to-date. The Society will treat your personal information as private and confidential (even when you are no longer a customer) and we will not disclose any of these details unless: we are compelled to do so by law, there is a duty to the public to disclose, you request us to do so, or our interests require us to give information (for example to prevent fraud).

4.2 We and other companies in our group with the Newcastle name (Newcastle Building Society Group) may also use your contact and personal details from your Accounts and records within the Group to identify products and services, which may be of interest to you. We may contact you by letter, telephone or email to inform you about products and services, including those of our commercial partners whose products and services can be purchased through us. This may include information about our/their mortgage, savings, Investment and pension products, general insurance products, financial planning and services such as credit cards, loans and mortgage broking services. You may opt-out from marketing contact by letter, telephone or email at any time. Further details about companies in the Newcastle Building Society Group and our commercial partners can be found on our website at www.newcastle.gi We may still contact you on occasions to provide important information about your account such as statements or changes to your terms and conditions.

4.3 Under the Data Protection Act, you can ask to see

a copy of the personal information we hold on you by writing to the Compliance Department, Newcastle Building Society, Portland House, New Bridge Street, Newcastle upon Tyne, NE1 8AL, England. (This will incur payment of a fee.)

5 Joint Accounts

5.1 If your Account is a joint Account, these conditions apply to all of you together and any of you separately. In the event of the death of any Account holder, the Account will remain open in the name of the remaining Account Holder. In the event of a dispute between holders, the Newcastle (providing it is made aware of the situation) will not permit withdrawals to be made from the Account unless signed instructions are received from both Account Holders. If you do not inform us we will operate the Account on the basis of your original instructions.

5.2 Only the first named Account Holder will be given all of the membership rights of the Newcastle. These include the right to receive notice of, attend and vote at Annual General Meetings. The second or subsequent named Account Holders are entitled to fewer membership rights. Correspondence will be sent to the first named Account Holder only unless you advise us otherwise.

6 Changes to Terms & Conditions

6.1 Unless the Product Special Conditions provide otherwise, we can change the terms & conditions (including charges and the interest rate payable) on your Account for any or all of the reasons outlined below:

- (a) to respond to changes in a Reference Rate or changes generally in the interest rates which other financial institutions pay their savers;
- (b) to enable us to maintain the competitiveness of interest rates charged to our borrowers or earned from the money market, while having regard to the interests of all our members and in the interests of the Society;
- (c) to manage interest margins between those charged to our borrowers and paid to our savers or the providers of funds to us, in the interests of the Society;
- (d) to respond to any change in operating costs incurred by the Society;
- (e) to harmonise the interest rates being paid to investors following any acquisition or transfer of savings accounts or any takeover of, or merger with another financial institution;
- (f) to respond to changes in the law, or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply;
- (g) to correct errors, if it is reasonable to do so;
- (h) if the change is to the advantage of our members;
- (i) for any other valid reason.

6.2 Where we have to give you personal notice, we will tell you about the change by letter, email, statement messages or inserts or in any other way which is sent to you individually.

6.3 For online accounts we will provide important information about your Account by e-mail to your registered e-mail address. It is your responsibility to make sure that you inform us of any amendments to your e-mail address and to make sure that your e-mail settings are set to receive e-mails from news@newcastle.co.uk

6.4 If your Account is a Payment Account we can change the terms and conditions applicable to the Account at any time for the reasons specified in condition 6.1, by giving you at least two months prior notice. Where we give you notice of a change under this condition 6.1, the change will automatically take effect at the end of the two month period and you will be taken to have accepted the change unless you notify us in writing that you do not agree to the change as soon as possible and in any event before the end of the two month period. If you notify us that you do not accept a change, we will take this as notification that you wish to close your Account immediately.

6.5 If your Account is not a Payment Account, we can change these conditions, the product Special Conditions, the services or facilities on your Account and the interest rates applicable to your account for the reasons set out in 6.1 if giving you notice in good time by putting a notice in The Gibraltar Chronicle, or in our branches, or on our website: www.newcastle.gi or by writing to you.

6.6 Where we make a change in accordance with condition 6.4, we will notify you personally of the change.

6.7 Condition 6.4 does not apply to any change to any interest rate applicable to your Account where:

- (a) the change is to your advantage; or
- (b) the interest rate applied to the Account is linked to the Reference Rate and the change occurs as a result of a change in the Reference Rate,

Where we make a change under this condition the change will apply to the Account immediately and you will be advised of the change in accordance with condition 7.2.

7 Interest

7.1 The interest on the Account will be calculated daily and paid in accordance with the product Special Conditions. You can check the interest rates that apply to your Account at any time by calling us or by checking our website.

7.2 Whenever the Newcastle revises its rates in accordance with conditions set out in 6.5, notification and details of any changes are always published in the

following manner:

- (a) notices and leaflets displayed in all of our branches; or
- (b) press advertisements placed in The Gibraltar Chronicle; or
- (c) by notifying you personally of the change in good time before the change becomes effective; or
- (d) on our website; www.newcastle.gi

8 Nominated Accounts

8.1 You can choose to have one nominated bank account.

8.2 Transfers out from your Newcastle Building Society account to your nominated account will be made electronically and will arrive in your destination account within four working days. Please see section 10 for further information relating to withdrawals.

8.3 Transfers into your Newcastle Building Society account from your nominated account must be made via direct debit. We must be in receipt of a signed direct debit mandate form. Please note that this is only available to accounts operated online. See section nine for further information relating to investments.

8.4 A new direct debit instruction will take a minimum six working days to initiate.

9 Transactions on the Account - Deposits

9.1 After placing your initial Investment in the Account you may make further deposits while the Account is a current issue, subject to the product Special Conditions.

9.2 Additional deposits may not be permitted after the Account has been withdrawn, subject to the product Special Conditions.

9.3 Cash deposits can only be made via our Branch.

9.4 CHAPS deposits made into your Account will start earning interest from the Business Day we receive your payment.

9.5 Banking of cheques for payment will at all times be subject to the rules, and clearing processes, of any cheque clearing system(s) used by us.

9.6 The cheque clearing cycle defines the maximum number of days from your Investment by cheque as detailed below:

- (a) From the second Business Day after receipt, your Investment will earn interest.
- (b) After a maximum of six Business Days (six business days for UK drawn cheques) excluding the transaction day, your cheque will be cleared and the Society will not debit any cheque you deposit with us is returned unpaid (unless you are a knowing party to fraud) without your permission. Your funds will be available for withdrawal.

9.7 If Automated Payments are received by standing order or telegraphic transfer, you can withdraw the funds as soon as they are received, if our source of wealth and source of funds criteria have been met under Money Laundering regulations. If they have not been met

please refer to section 3. However, funds deposited by Direct Debit will be credited to your Account on the business day of receipt and will be available for withdrawal (where permitted by the account features) on the third business day following the day of receipt into the Account.

9.8 We may limit or withdraw any product at any time.

10 Withdrawals

10.1 All withdrawals are subject to the Special Conditions of the Account. For the avoidance of doubt, closure of the Account and/or transfers to other accounts with the Newcastle or another provider are classed as withdrawals. When you make withdrawals please first ensure you have sufficient cleared funds. Cleared funds are defined as 'cash investments or cheques which have been paid into your Account at least six Business Days previously and cleared by the Banking System'.

10.2 You can only make withdrawals from your Account in the following ways:

- (a) cash withdrawals via branch only (subject to the applicable daily limit of £500);
- (b) automated payment; (CHAPS only available for a house purchase);
- (c) cheque (subject to the applicable daily limit of £50,000). Cheques in excess of this amount are available by prior request

10.3 Before a withdrawal is made from your Account, this must be authorised in one of the following ways:

- (a) by providing your Passbook / Passcard to us or our representatives and requesting cash (Branch only), cheque or Automated Payment from the Account in accordance with our requirements for online and telephone banking services (if relevant);
- (b) by providing your Account details and completing any necessary formalities to complete an Automated Payment from the Account in accordance with our requirements for online and telephone banking services (if relevant);
- (c) by cheque.

Where appropriate, the authorisation of an Automated Payment can include authorising any single payment, a series of recurring payments (including payment for an indefinite period such as a regular standing order) or pre-authorising a future payment of a certain or uncertain amount such as a Direct Debit.

10.4 Where you wrongly identify the person or account (including account number and sort code) to which a payment should be made, we will make reasonable efforts to recover the payment made, but we will not be liable for any losses which may be incurred by you. We may ask you to pay a fee to cover our costs of tracing the payment.

10.5 Your instruction and authorisation to an Automated Payment may not be withdrawn (or revoked) after the

point in time at which your instructions and authorisation to the payment have been received by us. However in respect of future dated payments (such as future standing order payments or Direct Debit, instructions) your instructions and authorisation to make the payment may be withdrawn if you give notice to us and to the payee (where relevant) provided the notification of cancellation is received by us no later than close of business on the Business Day before the date set for execution. Please note transactions set up online must be cancelled online.

10.6 Where we receive your instructions and authorisation in accordance with condition 10.3 to carry out an Automated Payment and your instructions and authorisation is received before the Cut-Off Time, we will treat your instructions to make the payment as having been received that day. For any instructions and authorisation received after the Cut-Off Time, or received by us on a non Business Day, your instructions and authorisation will be treated as having been received by us on the next Business Day. For example, if we receive your instructions and authorisation to make a BACS payment at 1.30 pm on Tuesday, we will treat your instructions to make the payment as having been received on Wednesday for the purposes of determining when the money is transmitted (provided both Tuesday and Wednesday are Business Days). Where you are setting up a standing order to pay someone for the first time we will not treat your instructions and authorisation as having been received until we have completed our process for setting up the payment.

10.7 Cut off times

Payment type	Cut Off Time
CHAPS	11am - any requests received after this time are applied the following Business Day (only available for a house purchase)
BACS	12 noon – any requests received after this time will be applied the following Business Day

10.8 Where you have instructed and authorised us to make an Automated Payment out of your Account the money will be available to the payee:

- (a) (unless the Automated Payment is initiated by way of a paper-based authorisation process) until January 2012 within three Business Days of the day after we receive your instructions and after January 2012 within one Business Day of the day after we receive your instructions under condition 10.6;
- (b) where the Automated Payment is initiated by a paper-based authorisation process, until January 2012 within four Business Days of the day after we receive your instructions and after January 2012 within two Business Days of the day after we receive your instructions under condition 10.6;

- (c) for any payments transmitted in the European Economic Area (other than the United Kingdom) in a currency other than Euro or Sterling, within four Business Days of the day after we receive your instruction.
- (d) for any payment transmitted outside the European Economic Area, these timings do not apply. Please ask us for details.

Subject in each case to the provisions of condition 10.6 where your instructions and authorisation are received after the Cut-Off Time.

11 Notice Accounts

11.1 Subject to the product special conditions, notice to withdraw can be put onto an account at any time, however new applications for notice will result in the previous notice applied being removed. On expiry of notice periods, funds will be available to withdraw for five business days. Thereafter, another notice must be put onto the Account.

11.2 Transfers between Accounts held with the Newcastle are subject to the same notice rules in 11.1

11.3 Notice requests must be made in person or in writing or via telephone.

11.4 Please note that the withdrawal will take place automatically on or around the due date, providing we have received all the necessary documents.

12 Account Operation

12.1 Subject to the product Special Conditions, your Account may be operated using a Passbook / Passcard, telephone or online.

12.2 If your Account is operated by a Passbook/ Passcard a Passbook/Passcard will be issued to you. This belongs to the Newcastle. You must take care to keep this safe, destroy notice of it securely and prevent it from being lost, stolen or used by anyone else.

12.3 If your Account is operated as an online or telephone Account then a unique User ID will be issued to you. In addition to this you must provide a password and memorable data. It is your responsibility to ensure that you keep your User ID, password and memorable data secret, destroying notice of it safely and securely.

12.4 We may stop the use of your Passbook/Passcard, the online or telephone banking services if we reasonably believe that:

- (a) your Account is being used by someone else or we are otherwise concerned about the security of the Account;
- (b) we suspect the Account is being used in breach of these Conditions or the Special Conditions in an unauthorised or fraudulent manner.

Where we stop the use of your Account under this condition 12.4 we will, if practical, notify you immediately

before or, where we cannot notify you immediately beforehand, after stopping the use of the Account and inform you of our reasons for doing so, unless it is unlawful for us to do so or it would compromise our reasonable security measures.

12.5 Should you feel that any Account documentation has been lost or stolen or you suspect your Account is being operated fraudulently please notify the Society as soon as possible by contacting your local branch. You may be asked to provide evidence or proof of your identity when you notify us of any such change.

13 Protecting Your Account

13.1 To help protect your Account against fraudulent use please make sure you let us know as soon as possible when you change your:

- (a) name;
- (b) address;
- (c) phone number; or
- (d) e-mail address.

If we need to investigate a payment on your Account, you should co-operate with us and the police, should we need to involve them. 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 them. Full details of your potential liability are set out in condition 14. You may be asked to provide identity when amending your details.

14 Liability

14.1 Where an Automated Payment is properly authorised in accordance with condition 10.3 we are responsible for its correct execution unless we can prove that the error was due to the fault of the payee's or payer's bank or building society (as the case may be). Where we are liable for an incorrectly executed Automated Payment out of the Account we will restore your Account to the state in which it would have been had the defective payment not taken place. Where we are liable for the misallocation or failure to collect funds in to your Account we will restore your Account to the state it would have been in if the payment had been correctly made.

14.2 Provided you properly notified us in accordance with condition 12.5 if you believe your Passbook/ Passcard, User ID, memorable data or password might be being used by someone else (unless it is used by you or on your behalf) your maximum liability for unauthorised payments is £50;

14.3 There will be no limit on your liability where you have acted fraudulently or been grossly negligent.

14.4 Unless you have been fraudulent, you will not be liable for any losses incurred in respect of unauthorised transactions:

- (a) occurring after notification under condition 12.5;

- (b) where we failed to provide a notification process to allow you to report the loss, theft or potential misuse of your Passbook / Passcard or security details unless the failure to provide the service was beyond our reasonable control;
- (c) where the security details have been used without your authority in connection with a distance contract as defined by the Consumer Protection (Distance Selling) Regulations 2000;
- (d) before you received your Passbook or any personalised security details.

14.5 Where you wrongly identify the person and/or Account (including account number and sort code) to which a payment should be made, we will make reasonable efforts to recover the payment made, but we will not be liable for any losses which may be incurred by you. We may ask you to pay a fee to cover our costs of tracing the payment.

15 Refunds

15.1 You may be entitled to claim a refund in relation to an Automated Payments where:

- (a) the payment was not authorised in accordance with condition 10;
- (b) we are responsible for a transaction which has been incorrectly executed and you have notified us in accordance with condition 15.3;
- (c) a pre-authorised transaction (excluding Direct Debits) did not specify the exact amount at the time of its authorisation and the amount charged by a payee is more than you could reasonably have expected taking into account normal spending patterns on the Account or the circumstances of the transaction. A claim for a refund in these circumstances will not be accepted if you have consented to the transaction; or the amount of the transaction was made available to you at least four weeks before the transaction date; or the refund request is made more than eight weeks after the transaction is debited to the Account.

15.2 Direct Debit refunds will be made in accordance with the Direct Debit scheme rules and the Direct Debit Guarantee.

15.3 If you become aware of an Automated Payment which has not been properly authorised or has been incorrectly executed on the Account you must notify us. This notification must be provided as soon as you become aware of the error and in any event within thirteen months of the date of the Automated Payment. If you do not notify us within these timescales you are not entitled to a refund under condition 15.1.

15.4 If you are entitled to a refund we will reimburse you for any interest and charges you have incurred as a result of the incorrect execution. We will not be responsible for any losses which are not directly associated with the incorrect execution of the Automated Payment, for example, any liability you incur to a third party.

15.5 In the case of a disputed Automated Payment the burden of proving fraud or gross negligence will lie with us.

16 Our right of "set off"

16.1 If any accounts you hold with us are in credit, we may use any of them to reduce or repay any amounts you owe us on a mortgage or other accounts you hold with us (including any joint accounts). If we decide to do so:

- (a) we will tell you why and when it has been done; and
- (b) in doing so, we may (and you irrevocably authorise us to) bring to an end any fixed deposit period applying to any of the accounts you hold with us and adjust any interest payable by us;

17 Rules

17.1 Unless stated in the product Special Conditions, the Account is a share account and Account Holders are deemed to be members of the Society. As a member of the Society you are subject to the rules of the Society, a copy of which may be obtained on request.

18 Charges

18.1 When you become a customer, we will give you details of any charges for the day-to-day running of the Account you have chosen.

18.2 You can also find out about these charges by:

- (a) telephoning us;
- (b) looking on our website; or
- (c) asking our staff.

We can vary the charges in accordance with condition 6.

18.3 We will tell you the charge for any other service or product before we provide that service or product, and whenever you ask.

19 Blocking the Account

19.1 We can refuse to carry out any transaction on the Account if we reasonably think that:

- (a) you or someone else is using the Account illegally or fraudulently or outside the terms of the Agreement between you and us;
- (b) we are required to do so by law;
- (c) there are insufficient funds in the Account to cover the amount of the payment;
- (d) you are the subject to a bankruptcy order or administration order or you have entered into a voluntary arrangement with your creditors or where we reasonably believe that any of these are likely to happen;
- (e) the relationship between you and us has irretrievably broken down (for example you have been threatening or abusive to our staff);
- (f) there is a dispute (which we reasonably believe to be genuine) about the ownership or entitlement to the money in the Account;
- (g) the terms of the payee's account prevent

completion of the transaction;

- (h) there are technical issues which prevent us from executing the transaction;
- (i) circumstances beyond our reasonable control prevent us from offering a normal service (such as computer failure or industrial action).

Provided it would not be unlawful for us to tell you why we refused to authorise the transaction, we will notify you either verbally or in writing when we have done this at the earliest opportunity and in any event no later than the day by which the funds should have been available to the payee under condition 10.8. Following receipt of this notification you can contact us at any of our branches or on the telephone for details of how to rectify any errors.

19.2 Where we block an Automated Payment we may charge you for such notification where the refusal is reasonably justified. Our charge for this notification is set out on page 11.

20 Death of Account Holder

20.1 Where an Account is closed following the death of the Account Holder, the total accrued interest to the date of closure of the Account will be payable.

20.2 Where an Account remains open following the death of the Account Holder, and subject to a person becoming entitled to an Account (after providing evidence) and be registered as the Account Holder, interest will be paid at a rate of 0.10% Gross, details of which can be found on our website: www.newcastle.gi or by contacting us on (00 350) 200 41143. (This excludes our structured deposit accounts).

21 Closing Your Account

21.1 Your Account can be cancelled within 14 calendar days of opening the Account without penalty. No interest will be earned during this period. If you decide to exercise this right, your request must be made in writing. If you do not exercise your right to cancel you may still close your Account at any time in accordance with condition 21.4.

21.2 Subject to condition 21.1, your Account will remain open until it is closed by either you or us in accordance with conditions 21.3 and 21.4.

21.3 We may close your Account by giving you at least two months prior written notice sent to the last known address to us unless the relationship between you and us has irretrievably broken down in which case we will treat you as being in breach of these terms and can immediately terminate this agreement with you and close your Account. If we terminate this agreement and close your Account we will return your investment to you with interest we owe you on your Account

21.4 Subject to the access terms provided in the product Special Conditions, you may close your Account at any time by giving us written notice.

22 Dormant Accounts

22.1 Any Account that has been forgotten about or not used for an extended length of time may be classed as dormant. Under The Dormant Bank and Building Society Accounts Act 2008 money from accounts which have not been used for a longstanding period will be transferred to a reclaim fund for use on community causes.

22.2 If you have money in a dormant account it will always be your property (or if you die, it will become part of your estate). This is the case no matter how many years pass.

22.3 You can make searches for dormant accounts online at www.mylostaccount.org.uk or, you can get copies of claim forms for dormant accounts and lost savings, including unclaimed assets, from us or from the following:

BSA Lost Accounts,
6th Floor,
York House,
23 Kingsway,
London,
WC2B 6UJ.

Or, phone 0207 520 5900 or download a copy from the website at www.bsa.org.uk

23 Tax

23.1 Residents: Interest is paid Gross without the deduction of tax. Savings income received by a person, who is resident in Gibraltar for tax purposes, is exempt from Gibraltar tax. Savings income includes interest from Bank and Building Society deposits, shares in quoted companies and quoted bonds, debentures and gilts.

If you require further information regarding this we recommend that you contact the Gibraltar Income Tax Department or seek independent tax advice.

23.2 Non Residents: Interest is paid Gross without the deduction of tax. It is your responsibility to declare the interest earned on this account to the relevant tax authority of your country.

23.3 EU residents should note that as from 1 July 2005, the Society is obliged to comply with the legislation that implements the E.U. Savings Tax Directive. Therefore, the Society will exchange information regarding the interest earned by EU residents from 1 July 2005 onwards to the relevant tax authority.

If you would like more information on the EU Savings Directive please ask for a copy of our leaflet entitled 'A Guide to the European Union Savings Directive'. If you are not certain how this Directive will affect you, we recommend that you seek independent tax advice.

24 Maturity

24.1 Where an account has a fixed term the Maturity Dates for that Account will be outlined in the Special Conditions.

25 Statements

25.1 To help you manage any Account without either a passbook or online access we will provide you an annual statement. For Passbook Accounts, your Account Passbook should be used to keep your records up-to-date. Your Passbook can be updated at anytime. For online accounts, transactions can be viewed online. A charge may be incurred should you require a paper copy of this information.

25.2 If you require additional information about transactions on the Account at any time this information is available by contacting your local branch. We will provide you with the following information on any transaction:

- details of the transactions into and out of the Account including a reference enabling you to identify the transaction;
- the amount of the transaction;
- any charges applied to your Account in relation to the transaction;
- in the case of a payment out of the Account, the date of receipt of the transaction instruction, or in the case of a payment into the Account, the date of payment of those funds into the Account.

25.3 You may be asked to provide your identity when requesting account information.

26 Agreement to Assign Windfalls to Charity

26.1 Paragraphs 26.2 to 26.6, below, will apply to you unless you are an exempt customer at the time when the Account is opened.

26.2 You agree with the Newcastle that, if the right to any windfall benefits is granted to you after the Account is opened, you will assign those windfall benefits to the selected charity unless either of the following applies:

- the period between your Account being opened and the conversion announcement date is more than five years (or, if applicable, the shorter period);
- on the conversion announcement date, you are a borrowing member of the Newcastle.

26.3 You authorise the Newcastle 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 you.

26.4 You authorise that the Newcastle has promised to transfer to the selected charity the benefit of the agreement which you have given under paragraph 26.2, above; neither the Newcastle nor the selected charity will release you from that agreement; and any power of the Newcastle to change the terms of its contract with you will not apply to any of the terms set out in this section.

26.5 You authorise the Newcastle to give the selected charity any information about you or any account which you have with the Newcastle (now or in the future) but only if the selected charity reasonably needs it regarding

the agreement you have given under paragraph 26.5, above.

26.6 You understand that the Newcastle 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 which that person may become entitled to. The terms of the agreement will be decided by the Newcastle and may be different from the terms in paragraphs 26.1 to 26.5 above. This paragraph will no longer apply if the Newcastle publishes a notice in the press of a decision by the Newcastle that it will no longer require new share holding members to enter into such agreements.

These notes apply to paragraphs 26.2 to 26.6, previously detailed:

- The Account is the share account which you are applying to open.
- The conversion announcement date means the date on which the Newcastle makes a public announcement of a proposal to transfer its business to a successor.
- The current terms means terms which are the same as, or similar to, the terms set out in paragraphs 26.2 to 26.5 previously detailed.
- You are an exempt customer when you open the Account if:
 - you have held shares in the Newcastle (other than permanent interest bearing shares) for a period of five years; or you are a borrowing member of the Newcastle; or
 - you have already entered into an agreement with the Newcastle binding you to the current terms; or
 - you belong to one of the groups of the other people who, in the Newcastle's opinion, do not need to be asked to agree to the current terms. A list of these groups is available from the Newcastle at any time. The Newcastle may alter the number and composition of the groups from time to time, but no alteration will apply retrospectively.
- 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).
- The selected charity means the Community Foundation or, if it is at any time no longer a registered charity, any other charity or charities selected by it to receive assignment of windfall benefits.
- A "shorter period" is applicable if, when the Newcastle opens your account, you belong to one of the groups of people who, in the Newcastle's opinion, do not need to be asked to agree the usual five-year period. A list of these groups, stating the period applicable to them, is available from the Newcastle at any time. The Newcastle may alter the number and composition of the groups and the

period applicable to them from time to time, but no alteration will apply retrospectively.

- The "successor" is any company or other corporate body to which the Newcastle transfers its business under Section 97 of the Building Societies Act 1986 (or under any provision which amends or replaces it).
- A "windfall benefit" is a benefit which a person has the right to receive as a share holding member of the Newcastle, under the terms of any future transfer of the Newcastle'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 Newcastle with savings in a deposit account with the successor, or
 - any benefit which the Newcastle 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 Newcastle at any time. These conditions may be altered by the Newcastle from time to time, but no alteration will apply retrospectively.
 - Where more than one of you is opening this account, paragraph 26.1 and (if applicable) paragraphs 26.3 to 26.6, previously detailed, apply to each of you separately. If the Newcastle no longer exists following a merger with another Building Society, paragraphs 26.2 to 26.6, previously detailed, will still apply between you and the other Building Society.

27 Accessibility

Newcastle Building Society is committed to ensuring that all of our products and services are easily and equally accessible to all our members. With this in mind we are able to provide this brochure in larger print, Braille or audio format. If you would like more details, or would like to register to receive correspondence in an alternative format, please contact your local branch or call us on 00 350 200 41143.

28 Handling Customer Complaints

28.1 Unfortunately, mistakes are occasionally made by Newcastle Building Society. A leaflet entitled 'Our complaints procedure' provides full details of our complaints procedure, a copy of which is available from your local branch. If you are not satisfied with the way we deal with your complaint you may be entitled to refer this to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR, England.

28.2 Newcastle Building Society is an active member of the Building Societies Association. Shares and Deposits in the Society are Trustee Investments. The Newcastle Building Society is a participant of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to a maximum payment of £85,000 of an investors total shares and/or deposits in a society. Most investors are covered, including individuals and

small firms. A small number of categories of shares and deposits are not covered (for example deferred shares – permanent interest bearing shares). Although most shares and deposits are denominated in sterling, all other currencies are covered. Further details are available on request from the Newcastle.

29 Governing Law

29.1 This Agreement is concluded in English. All correspondence and communications with you in relation to your account will be in English. These terms and conditions will be construed in accordance with English law.

30 General

30.1 You will receive a copy of this booklet when you open an account and at any time you ask.

30.2 Newcastle Building Society is authorised and regulated by the Financial Services Authority. It is registered in the FSA's register under registration number 156058. The Society holds a consumer credit licence issued by the Office of Fair Trading, licence number 0124818.

Summary of Fees*

Savings	£
Auditors letter	20.00
BACS Trace	40.00
CHAPS charge (British Isles)	30.00
Closed account information	(min) 27.00
Protection Act Information	(per entry) 10.00
International CHAPS charge (abroad)	60.00
Existing account duplicate information	(min) 10.00
<i>(including Section 975 statements and copy letters)</i>	
Multiple cheque withdrawal	(min per cheque) 3.00
<i>(5 or more)</i>	
Special clearance fee	15.00
Unpaid cheque charge	15.00

*Fees charged are applicable per account (not per request). Fees will only be debited to easy access accounts. Fees incurred for other accounts will be payable via cheque.

Please note from time to time it becomes necessary to vary our tariff of charges, when we do so any increase will not be for more than either:-

- the rate of the Retail Prices Index; or
- to reflect changes which have occurred, or which we reasonably believe are likely to occur, in:
 - fees and charges fixed by statutory bodies and/or
 - the reasonable increases in direct or indirect administrative overheads we incur for doing the work or providing the service for which we make the charge, whichever is the greater.