

Assigning windfall rights

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DY4 8HG

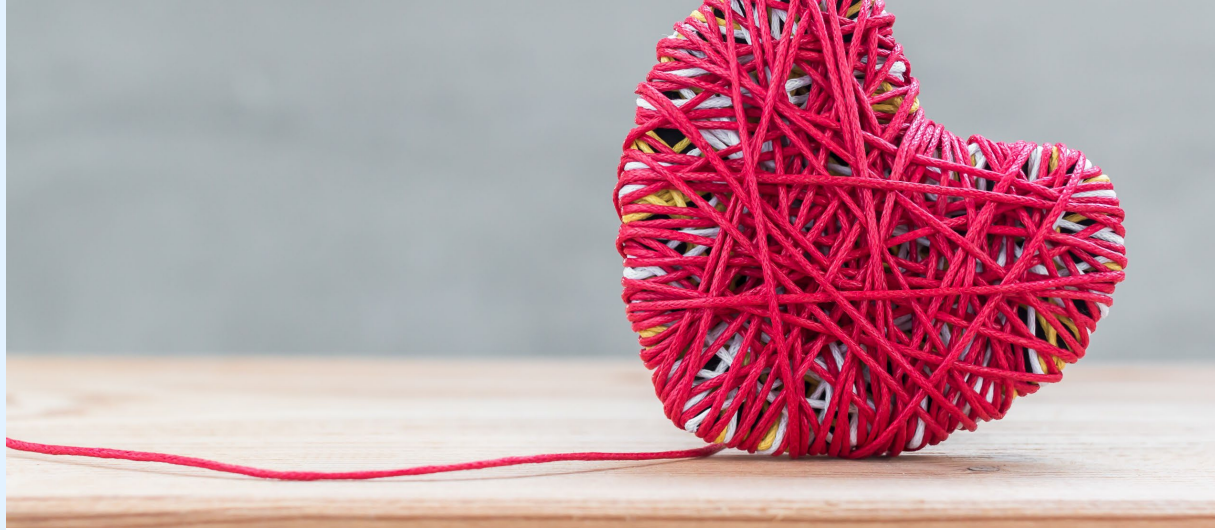
Coseley branch
01902 883173
Castle Street, Coseley,
WV14 9DW

Bilston branch
01902 403853
73 Church Street, Bilston,
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Sedgley branch
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6 Bull Ring, Sedgley,
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Codsall branch
01902 968877
3 The Square,
Wolverhampton Road,
Codsall
WV8 1PT

www.thetipton.co.uk



Charitable Assignments

We are committed to remaining a mutual building society run with the belief that a mutual status is in the best interest and long term benefit of our members.

We aim to provide all of our customers with an exceptional level of service however, following a period where our service levels were severely disrupted by the actions of speculators, who open savings accounts in the hope of receiving windfall benefits, we took steps to ensure our service levels could be maintained for the benefit of all members.

On 1 November 1999 we launched the Tipton and Coseley Charitable Foundation and all members joining on or after this date are required to assign any windfall benefits to our Charitable Foundation in the unlikely event of any transfer of our business to a successor such as a bank or other company. For joint accounts, this agreement applies to each account holder separately.

Any customer with membership rights as a saver or borrower before 1 November 1999 are not affected by these arrangements and are classed as exempt. From 1 November 1999, new mortgage customers would still be entitled to any windfall benefits coming to them as a borrowing member.

So that customers whose accounts are held by others as trust are not unfairly treated, the following are not considered as new account opening transactions:

- Transfer of an account from a deceased savings member to a personal representative, such as a widow, widower or a child aged under 18 years;
- Transfer of a child's account to a child's sole name when they reach sufficient age where the account was held as a trustee;
- Transfer of an account on behalf of a club or association to a new officer;
- Transfer of a trust account when the trustee changes but the beneficiary remains the same; and
- Death of the first named account holder where the second named account holder becomes first named.

In the unlikely event of a takeover, unless you are an exempt customer when your account is opened, the Society nor the selected charity will agree to release any customer from the agreement to assign windfall rights. Any power of the Society to change the terms of the contract will not apply to any of the terms applying to assigning windfall benefits.

Your questions answered

What do you mean by Windfall benefits?

This is a benefit paid to a shareholding member if, in the unlikely event we were to transfer our business to a bank or other company on a conversion or takeover.

What do you mean by assigning right?

If you become a member on, or after 1 November 1999, you will have the same voting rights as any other member, however any windfall benefits that would be paid in the unlikely event of a conversion or takeover would automatically pass to our Charitable Foundation without further notice to you.

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Does this mean you are planning to convert?

We are strongly opposed to conversion. We believe that the interest of all members is better served by maintaining our mutual status. These assignments will allow us to continue to deliver better value to all our customers and our results reflect this.

What is the Charitable Foundation?

The foundation is a registered Charity. Each year we donate £10,000 to the Foundation which in turn makes donations to locally based health and education linked charities.

What if I am already a member?

If you are already a member and have continuously maintained your membership since the introduction of the Foundation, then you are unaffected.

What information about me will you pass to the Charity?

In opening a new account, you authorise us to give the selected charity any information about you and your account held with the society both now and in the future, but only if the selected Charity needs it regarding the agreement you have provided.

Will this agreement continue?

The terms of the agreement are decided by the Society and will only no longer apply if the Society publishes a termination notice which is a notice in the press publicising a decision by us to no longer require new share holding members to enter into an agreement. If we no longer exist following a merger with another building society, this agreement will still apply between you and the other building society.

How can I find out more?

If you would like further information please call us on 0121 557 2551 or visit your local branch.