

# Investment terms and conditions

Effective date September 2010

## 1. GENERAL TERMS

### CHANGES TO TERMS AND CONDITIONS

(excluding interest rates)

(a) Changes to accounts may be made at any time. These may include the removal of, or amendment to, existing conditions or the inclusion of new conditions, and may be made if we believe that the change is needed for any of the following reasons.

(i) to take account of changes to the law, decisions of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply;

(ii) to reflect general market conditions and standards and/or to enable us to compete more effectively and/or the needs of the business justify a change;

(iii) to improve efficiency and/or reduce costs;

(iv) to give extra benefit to investors;

(v) to correct errors;

(vi) for any other reason where we believe change is appropriate.

(b) Any change which in our opinion is not to your disadvantage will be made with immediate effect. You will be notified by means of a notice displayed in our banking hall. Members with designated postal accounts will be notified of changes personally.

(c) Any other change will only apply, after we have given you at least 60 days' notice by post to the current address which is registered in our records, and we will allow you 60 days from the date of notice to switch accounts or close your account without notice or penalty.

## 2. ACCOUNT OPENING, HOLDERS AND MEMBERSHIP

(a) Current money laundering regulations require Stafford Railway Building Society to obtain proof of identity and address from each applicant before an account may be opened. If it is unable to obtain such verifications by electronic means you will be asked to provide documentary evidence in a form which will be advised to you at the appropriate time.

(b) When you open a share account you become a member of Stafford Railway Building Society. You are entitled to vote at the Annual General Meeting provided your account was open at the Society's previous year end (31 October) and had a balance of at least £100 at that date and remains open at the date of the meeting. Full details of your rights as a member and the procedure for the Annual General Meeting are in the Society's rules. You can obtain a copy of these by requesting them from the Society in Stafford. When you open an account you will be given a copy of the Society's latest Summary Financial Statement.

(c) The first named on a joint account is called the Representative Joint Holder and is the only person entitled to cast a vote in respect of the account. Any other parties to the account do not have voting rights. You are entitled to choose the order in which the holders are named on your account.

- (d) When you open a joint account you will be asked to give Stafford Railway Building Society instructions as to which signature(s) are required to operate the account. Once this instruction has been given it will continue to operate for all purposes until we receive contrary instructions.
- (e) Upon receipt of proof of death of any joint account holder, we will recognise only the survivor(s), as having ownership of or interest in the account and the survivor(s) shall be allowed to continue to operate the account as before.
- (f) You can transfer your account into the name of another person subject to the conditions applying to the account and to our approval. No transfer will be valid unless made in a form approved by us and until registered in our records. We may refuse to permit a transfer without giving any reason.
- (g) We do not have to recognise the interest or claim of any person other than the account holder(s) in respect of money held in any account, nor will we be liable in any way for failing to recognise such interest or claim, except as required by law.
- (h) The operation of any account with Stafford Railway Building Society is subject to the Society's Rules.
- (i) Special conditions may apply to people residing outside of the local area. Full details are available upon request.

### **3. INVESTMENT WITHDRAWALS & ACCOUNT CLOSURES**

- (a) Withdrawals can be made of up to £500 in cash and £50,000 by cheque. For any withdrawals in excess of £50,000 one working days' notice may be required.
- (b) If you ask Stafford Railway Building Society to issue a cheque in favour of a third party, the Society will not subsequently accept an instruction to stop payment of that cheque. Your account will be debited when the cheque is issued and you will be responsible for safe delivery of the cheque to the intended payee. If an error is discovered on a third party cheque issued by Stafford Railway Building Society, or the cheque is out of date (i.e. has not been presented within 6 months of date of issue) then we will amend or replace it on request without charge.
- (c) All cheques drawn from Stafford Railway Building Society's accounts are valid for 6 months from the date of the cheque and are 'Account Payee Only' which means that they cannot be endorsed to the benefit of a third party.
- (d) Funds invested by cheque are normally available for withdrawal six working days after deposit.
- (e) We can repay to you all or part of your investment at any time, without giving any reason, after giving you at least one month's notice, except where the investment has been accepted for a fixed term which has not expired. You can close your account at any time, without giving any reason, after giving any notice required by the special conditions applying to the account, except where the investment is for a fixed term which has not expired.
- (f) Stafford Railway Building Society can at any time restrict the amount which can be withdrawn from any account. It will only do this if:
  - (i) Stafford Railway Building Society has reason to believe that the account is being affected by fraudulent activity or other financial crime.
  - (ii) Stafford Railway Building Society is required to do so by law, regulation or court order.

- (iii) There is a dispute which Stafford Railway Building Society believes to be genuine about the ownership of, or entitlement to, the account.
- (iv) Stafford Railway Building Society is unable to offer a normal service due to circumstances beyond its control (e.g. terrorist threat, computer failure etc).
- (v) Stafford Railway Building Society has reasonable grounds to believe that its financial stability is under threat (e.g. rumours causing actual or potential abnormal levels of cash withdrawals).
- (g) In the case of (iv) and (v) above:
  - (i) Stafford Railway Building Society will act proportionately to the circumstances in question.
  - (ii) Stafford Railway Building Society will take reasonable steps to ensure that the restrictions are lifted as soon as practicable and to minimise inconvenience to members.
  - (iii) Stafford Railway Building Society will take into account the interests of the membership as a whole.
  - (iv) Stafford Railway Building Society will give advance notice where practical.
  - (v) Stafford Railway Building Society may consider making exceptions to any restrictions if it is reasonably satisfied that EXTREME/SUBSTANTIAL hardship would otherwise be caused.

#### **4. UNCLAIMED BALANCES**

If:

- (a) for a period of 6 years any person holding a share who has not received an advance from Stafford Railway Building Society shall make no payment to the Society and shall not claim any money standing to the credit of their account with the Society and
- (b) the amount standing to the credit of such account shall be less than £25 and
- (c) such person cannot be traced after reasonable enquiry the Board may resolve that such account be closed and that such moneys be forfeited to Stafford Railway Building Society but the Board may thereafter reopen such account and re-credit such moneys therein.

#### **5. CHARITABLE ASSIGNMENT**

To avoid any possible speculative disruption to its business, the Society has introduced a requirement for new investing members to ensure continuation of the level of service which genuine members expect and deserve. All new members opening share accounts must sign a declaration agreeing to assign any future windfall rights to the Charities Aid Foundation for 10 years from the date of opening the account. This agreement will not apply to anyone who has held and continues to hold a share account with Stafford Railway Building Society since before 1st August 2000 or has a mortgage with the Society at the time their investment account is opened. There are some other categories of investor which are not affected by the requirement to assign and a list of these is available from Stafford Railway Building Society at 4 Market Square, Stafford, ST16 2JH.

The notes above are only a summary of the charitable assignment arrangements. The complete terms can be found in Stafford Railway Building Society's share account application forms. The Charities Aid Foundation is a charity, which channels charitable giving to worthy causes.