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ONLINE SERVICES

Kent Reliance is now offering a secure way to view your savings and investment account(s) online. If you are interested in this service, please visit our website www.krbs.com and click on Online Services.

Please note: Online members will not receive postal statements. Their annual statement will be available to view and print online. They will also be able to view and print their last ten transactions at any time.

HOW TO OPEN AN ACCOUNT

Simply download an application form from our website at www.krbs.com or call 08451 22 00 22 and we'll send you one in the post.

Account opening cheques must be drawn on a bank account in your name(s) or from another financial institution. For children's accounts, account opening cheques must be drawn on an account in the name of an operator of the account.

By post - Simply post your application form and cheque, made payable to one or more account holders to: Kent Reliance Building Society, PO Box 174, Chatham, Kent ME4 4WG. Please write the first-named account holder's name and address on the reverse of the cheque.

In person - Alternatively, complete an application form and take it, together with your initial deposit to any of our branches or agencies (not applicable for statement based accounts). Cheques should be made payable to one more account holders, with the first-named account holder's address written on the reverse.

HOW TO USE YOUR ACCOUNT

PAYING MONEY IN:

With any of the Society's savings accounts you are able to add to your savings as and when you like, up to a maximum balance of £1 million. Cash ISAs are subject to HM Revenue & Customs limits. You cannot add to bonds (but you can open additional bonds, subject to availability).

By BACS - If you want to pay money in using BACS simply supply your bank/building society, employer or pension provider with the following bank details in order for them to send the funds direct to us - **sort code: 62-24-97, account details:** this will be the numerical element of your account reference with a zero added in front of the number to make it eight digits long. For example 01234567.

Please quote your whole account number (which includes the prefix and the suffix), for example DIS1234567KRB, as the reference. If you do not quote this reference the transfer of your funds may be delayed.

By standing order - You can have a regular payment made directly into your account by standing order – just ask at any of our branches or agencies, or phone our Head Office for a standing order form to give to your bank/building society/ employer/pension provider, or use the bank details above.

Via post to Head Office - Simply post a cheque (but not cash) made payable in your name, together with your passbook (not applicable for statement based accounts) to Kent Reliance Building Society, PO Box 174, Chatham, Kent ME4 4WG. The transaction will be recorded in your passbook which will be returned to you. Please make sure you write your account number on the reverse of your cheque.

Via our branch and agency network - Take your passbook and deposit (cash or cheque) into any of our branches or agencies. The transaction will be recorded in your passbook and the balance updated.

Statement based accounts can only be opened and operated by post through our Head Office. We do not offer a counter facility for statement based accounts.

If you pay by cheque which is subsequently returned unpaid by the bank/building society it is drawn on, we will debit your account with the amount of your cheque. We will inform you in writing and, if applicable, request your passbook in order for it to be amended. We will return the cheque to you on request.

TAKING MONEY OUT:

Via post to Head Office - You can write to Head Office requesting a withdrawal of cleared funds by cheque or BACS subject to the terms of your account. Please make sure that you quote your account number and include your passbook if appropriate.

Important: Cash will not be sent through the post and we do not offer a counter facility at Head Office. Please allow six clear working days for clearance on all cheques paid in before withdrawal can be made against them. Cheques will only be sent to the registered address, unless you are transferring your ISA to another provider. When we receive a transfer or withdrawal request, we may contact you by telephone to confirm your instructions and to make you aware of our current range of saving and investment products.

Via our branch and agency network - Withdrawal of cleared funds are subject to the terms of your account. You can normally withdraw £500 in cash or £50,000 by cheque from passbook accounts in any one day, at any of our branches or agencies. A few days' notice is required for cash withdrawals in excess of £500 to a maximum of £2,500.

TYPES OF ACCOUNT

SAVINGS ACCOUNTS

All our products are only available to UK residents.

Children's account: The Wishmakers - Available for children up to 16 years of age.

A passbook, easy access, variable rate savings account.

- Minimum opening deposit and balance £1.
- Children up to the age of 7 will need a parent/guardian/representative to open and operate the account on their behalf.
- We will write to you 10 days prior to the child's 16th birthday with details of investment opportunities with the Society. If we do not hear from you with alternative instructions, the balance will be transferred automatically to the Society's Fixed rate easy access account.
- For eligible children under 16 years of age, a parent/guardian must complete a HM Revenue & Customs R85 form to have the interest paid gross.
- For children up to the age of 7, only the operator(s) of the account may withdraw money (subject to daily limits). Children aged 7 and up to 12 years of age may withdraw up to £100 per transaction and children aged between 12 and 16 may withdraw up to £250 per transaction.

Fixed rate easy access account.

A passbook, easy access, fixed rate savings account - perfect for everyday savers who want the freedom to pay in and take out money whenever they like.

- Minimum opening deposit £50 (£5 if under 18 yrs), minimum balance £1.

One and two year fixed rate savings accounts (subject to availability) – These accounts can only be opened and operated through our branch and agency network.

Passbook based accounts, no withdrawals or early closure permitted.

- Minimum opening deposit £100 (£10,000 if the monthly income option is selected).
- Interest can be transferred to your bank/building society account on a monthly basis.
- Additional deposits can be made until the current issue is closed to new customers - please check the relevant fixed rate savings account flyer for the interest rate, issue number and product features.
- We will write to you at least 10 days prior to the end of any fixed rate period, with details of further investment opportunities with the Society. If we do not hear from you with alternative instructions, the balance of your account will be transferred automatically to the Society's Fixed rate easy access account on maturity.

INTER-GENERATIONAL SAVINGS ACCOUNTS

Inter-generational Direct 60+ savings account - This account can only be opened and operated by post through Head Office.

A statement based, easy access, variable rate postal account.

- A family friendly account, the benefits of which can be passed on to your beneficiary(ies).
- Minimum age 60 (if the account is in joint names, one applicant must be aged 60 or over).
- Minimum opening deposit and balance £1 (£100 if the monthly income option is selected).
- Interest can be transferred to your bank/building society account on a monthly basis. In order for monthly interest to be payable there must be a minimum balance of £100 in the account.
- Withdrawals can only be made direct to a bank/building society account (via BACS).
- You will receive a statement in April showing the interest earned for the tax year as well as quarterly statements in January, April, July and October (if there have been transactions on the account).
- On death, your beneficiary(ies) can opt to continue to enjoy the higher rate of interest applicable to a Direct 60+ savings account regardless of age. However, they will not be able to add further funds to the account.
- In the case of a joint account, where, on a death, the survivor is under 60, the account will continue to enjoy the rate of interest applicable to a Direct 60+ savings account but no further funds can be added to the account.

INTERGENERATIONAL ACCOUNTS CONTINUED....

Inter-generational Direct 65+ easy access account - This account can only be opened and operated by post through Head Office.

A statement based, easy access, variable rate postal account.

- A family friendly account, the benefits of which can be passed on to your beneficiary(ies).
- Minimum age 65 (if the account is in joint names, one applicant must be aged 65 or over).
- Minimum opening deposit and balance £1 (£100 if the monthly income option is selected).
- Interest can be transferred to your bank/building society account on a monthly basis. In order for monthly interest to be payable there must be a minimum balance of £100 in the account.
- Withdrawals can only be made direct to a bank/building society account (via BACS).
- You will receive a statement in April showing the interest earned for the tax year as well as quarterly statements in January, April, July and October (if there have been transactions on the account).
- On death, your beneficiary(ies) can opt to continue to enjoy the higher rate of interest applicable to a Direct 65+ easy access account regardless of age. However, they will not be able to add further funds to the account.
- In the case of a joint account where, on a death, the survivor is under 65, the account will continue to enjoy the rate of interest applicable to a Direct 65+ easy access account but no further funds can be added to the account.

AFFINITY SAVINGS ACCOUNTS

Football affinity savings accounts (for the supporters of Charlton Athletic, Gillingham and Whitstable Town Football Clubs) - These accounts can only be operated through our branch and agency network.

A passbook, easy access, variable rate savings account with extra benefits for savers and the local community. Kent Reliance will make donations to Charlton Athletic, Gillingham and Whitstable Town Football Clubs, equivalent to 1% per annum of the average monthly balances held in these accounts. So the more you save the more money we will donate.

- Minimum opening deposit £100 (£10 if under 16yrs), minimum balance £10.

Kent Spitfires savings account (in association with Kent County Cricket Club) - This account can only be operated through our branch and agency network.

A passbook, easy access, variable rate savings account with extra benefits for savers and Kent County Cricket Club (KCCC). Kent Reliance will make a donation to KCCC, equivalent to 1% per annum of the average monthly balances held in these accounts. So the more you save the more we will donate to KCCC.

- Minimum opening deposit £10, minimum balance £1.

Sportsaver account (in association with Kent Sports Development).

A passbook, easy access, variable rate savings account with extra benefits for savers and the local sporting community. Kent Reliance will make a donation to the Kent County Council Sports Development Unit equivalent to 1% per annum of the average monthly balances held in these accounts, so the more you save, the more Kent Sports Development benefits.

- An affinity card entitles you to discounts at a range of Kent based sporting outlets.
- Minimum opening deposit and balance £1.

INVESTMENT BONDS (INCLUDING AFFINITY INVESTMENT BONDS)

For investing lump sums that you won't want to touch – we offer fixed and variable rate bonds **(subject to availability)**. For details of our current products, please refer to our interest rates sheet.

- Minimum investment £100 (£500 for the Direct tracker rollover bond, £10,000 if the monthly income option is selected) and maximum investment £1,000,000.
- No additional deposits or partial withdrawals under any circumstances.
- No early closure for affinity bonds. For all other bonds, in exceptional circumstances, the bond may be closed before maturity subject to a charge equivalent to 100 days' interest (which will be deducted from the capital sum if necessary). Therefore, if you close your account in the first 100 days, you will get back less than you originally invested.
- If you have selected to have your interest:-
 - a) Paid annually
For bonds with a term of one year or less, interest will be payable on maturity. For all other bonds interest will be payable on 5 April each year and on maturity.
 - b) Paid monthly
Interest will be payable on the last working day of each month to a bank/building society account via BACS.
- We will write to you at least 10 days prior to the maturity date of any fixed rate bond with details of further investment opportunities with the Society. If we do not hear from you with alternative instructions, the balance will be transferred automatically to the Society's Direct tracker rollover bond on maturity. In exceptional circumstances, the Direct tracker rollover bond may be closed during the first 12 months subject to a charge equivalent to 100 days' interest (which will be deducted from the capital sum if necessary). Therefore, if you close your account in the first 100 days, you will get back less than you originally invested. Thereafter it may be closed at any time without charge.

TAX FREE SAVINGS ACCOUNTS - All our ISAs accept transfers of cash ISA funds from other providers.

- Minimum age is 16.
- Interest paid free of income and capital gains tax for people who live in the UK.
- Minimum opening deposit and balance £1 (unless stated otherwise).
- The current maximum you can subscribe to a Cash ISA in a tax year is £3,600. The ISA limit will increase to £5,100 in two stages – from 6 October 2009 (for those aged 50 or over by 5 April 2010); and from 6 April 2010 (for everyone else). This limit may be altered by the government in the future. Transfers of previous tax year ISA subscriptions from another provider DO NOT count towards this tax year's ISA subscription limit. Transfers of current tax year ISA subscriptions DO count towards this tax year's ISA subscription limit.
- The annual investment limit applies to the total credits to the account and not the balance. If you take funds out of your account you cannot subsequently replace them in the same tax year.
- You may split your current year ISA allowance between multiple KRBS ISA products. For example you may invest £2,000 in a variable rate ISA and £1,600 in a fixed rate ISA (subject to availability). If you choose to open multiple ISA products in the same tax year, these will be treated as a single ISA under HMRC regulations which prohibit opening multiple ISAs in the same tax year. Because multiple ISA products are treated as a single ISA for HMRC purposes and HMRC regulations only permit full transfers of current year funds, if you wish to transfer any funds from your current year subscriptions, you must transfer all current year funds from whichever product they are invested in and this will be subject to any restrictions on transfers applicable to the relevant product.
- You may transfer the whole or part of your Cash ISA to another ISA provider, subject to the specific terms of the account and HMRC's restrictions on partial transfers of current tax year ISA subscriptions. We will complete the transfer within 30 days from the date a valid transfer request is received from the new ISA provider and all other requirements to initiate a transfer are met.

Direct fixed rate cash ISAs - These accounts can only be opened and operated by post through Head Office (subject to availability).

The terms and conditions are as on page 5, except that:

- These are statement based, postal accounts.
- Minimum opening deposit and balance £100.
- You will receive a statement in April showing the interest earned for the tax year as well as detailing any transactions since your last statement. In addition to this, quarterly statements will be sent in January, July and October (if there have been transactions on the account other than the opening deposit).
- Deposit funds as and when, by post via Head Office.
- Withdrawals, closures or transfers out are permitted subject to a charge equivalent to 100 days' interest (which will be deducted from the capital if necessary). Therefore if you close your account in the first 100 days, you will get back less than you originally invested.
- For fixed rate cash ISAs with a term of one year or less, interest will be payable on maturity. For all other fixed rate cash ISAs, interest will be payable on 5 April each year and on maturity.
- We will write to you 10 days prior to the maturity date of your ISA with details of further investment opportunities with the Society. If we do not hear from you with alternative instructions, the balance will be transferred automatically to our Direct variable rate cash ISA.

Direct fixed rate end date cash ISAs - These accounts can only be opened and operated by post through our Head office (subject to availability).

The terms and conditions are as on page 5, except that:

- These are postal accounts.
- Minimum opening deposit and balance £100.
- Additional deposits can be made until the product is withdrawn to new customers. However, if you have not used your full ISA allowance for the current tax year, you may subscribe your remaining allowance to another KRBS ISA.
- Withdrawals, closures or transfers out are permitted subject to a charge equivalent to 100 days' interest (which will be deducted from the capital if necessary). Therefore, if you close your account in the first 100 days, you will get back less than you originally invested.
- For fixed rate end date cash ISAs with a term of one year or less, interest will be payable on maturity. For all other fixed rate end date cash ISAs, interest will be payable on 5 April each year and on maturity.
- We will write to you 10 days prior to the maturity date of your ISA with details of further investment opportunities with the Society. If we do not hear from you with alternative instructions, the balance will be transferred automatically to our Direct variable rate cash ISA.

Direct variable rate cash ISA - This account can only be opened and operated by post through Head Office.

The terms and conditions are as on page 5, except that:

- This is a statement based, easy access postal account.
- You will receive a statement in April showing the interest earned for the tax year as well as detailing any transactions since your last statement, quarterly statements will be sent in January, July and October (if there have been transactions on the account other than the opening deposit).
- Withdrawal and deposit of funds as and when, by post via Head Office.

Direct variable rate cash ISA – Under 25s – This account can only be opened and operated by post through Head Office.

The terms and conditions are as above except that:

- This is a statement based, easy access postal account.
- Minimum age for opening account 16; maximum age for opening account 24.
- You will receive a statement in April showing the interest earned for the tax year as well as detailing any transactions since your last statement. In addition to this, quarterly statements will be sent in January, July and October (if there have been transactions on the account other than the opening deposit).
- Withdrawal and deposit of funds as and when, by post via Head Office.
- When you reach 25 years of age, you will be able to add further funds to the account (subject to HM Revenue & Customs limits) until the new tax year. Thereafter, no further funds can be added to this account but you can still enjoy the rate of interest applicable to this account regardless of age.

Inter-generational Direct 65+ variable rate cash ISA - This account can only be opened and operated by post through Head Office.

The terms and conditions are as on page 5, except that:

- This is a statement based, easy access postal account.
- A family friendly ISA, the benefits of which can be passed on to your beneficiary(ies).
- Minimum age 65.
- Interest can be transferred to your bank/building society account on a monthly basis (however, a lower rate of interest will be paid).
- Minimum opening deposit and balance £30,000 - if your account balance falls below the minimum, your account will revert to our Direct variable rate cash ISA and will receive the interest rate applicable to that account. Upon death – the minimum balance required on an inter-generational account is £1.
- You will receive a statement in April showing the interest earned for the tax year as well as detailing any transactions since your last statement. In addition to this, quarterly statements will be sent in January, July and October (if there have been transactions on the account other than the opening deposit).
- Withdrawal and deposit of funds as and when, by post via Head Office.
- On death, your beneficiary(ies) can opt to continue to enjoy the higher rate of interest applicable to a Direct 65+ variable rate cash ISA regardless of age. However, the interest will be taxable and they will not be able to add further funds to the account.

Variable rate cash ISA - This account can only be opened and operated through our branch and agency network.

All terms and conditions are as on page 5, except that:

- This is a passbook-based account.
- Withdraw funds without notice or penalty. Up to £500 in cash or up to the total balance by cheque can be made through our branch and agency network (lower limits may apply at agencies).
- Deposits must be made through our branch and agency network.
- You will receive an interest statement in April.

Variable rate cash ISA – Under 25s - This account can only be opened and operated through our branch and agency network.

All terms and conditions are as above except that:

- This is a passbook-based account.
- Minimum age for opening account 16; maximum age for opening account 24.
- Withdraw funds without notice or penalty. Up to £500 in cash or up to the total balance by cheque can be made through our branch and agency network (lower limits may apply at agencies).
- Deposits must be made through our branch and agency network.
- You will receive an interest statement in April.
- When you reach 25 years of age, you will be able to add further funds to the account (subject to HM Revenue & Customs limits) until the end of the tax year – 5 April. Thereafter, no further funds can be added to this account but you can still enjoy the rate of interest applicable to this account regardless of age.

TRANSFERRING CASH ISA FUNDS / SWITCHING KRBS ISAs

All our ISAs accept transfers of cash ISA funds from other providers.

TO TRANSFER IN ISA FUNDS FROM OTHER PROVIDERS

To transfer ISA funds from another provider into an existing KRBS ISA, simply complete one copy of the KRBS ISA transfer form for each ISA you wish to transfer. These can be downloaded from our website www.krbs.com or call the number below and we will post them to you.

To open a new KRBS ISA and to transfer ISA funds from another provider into the new ISA, please complete the relevant KRBS ISA application form as well as the KRBS transfer form for each ISA you wish to transfer. These can be downloaded from our website or you can call 08451 22 00 22 and we will post them to you.

Under HMRC regulations, you may not have two ISAs, with different ISA providers, both containing funds for the current tax year at the same time. If you open an ISA with KRBS, and we are subsequently informed that you already had a current tax year cash ISA with another provider, we will amend the opening date of your KRBS ISA to the official transfer date - normally the date your other ISA provider transferred funds to us. This will be deemed to be the date we accept your subscription, and you will not earn interest prior to this date.

Note: Some providers may make a charge for transferring to Kent Reliance, you should check with your provider before completing a transfer form.

If you wish to transfer ISA funds to a passbook-based ISA, simply pop into any of our branches or agencies for the relevant form(s).

EXISTING MEMBERS WHO WISH TO SWITCH BETWEEN KRBS ISA TYPES

To switch between ISA types, simply complete the relevant application form which can be downloaded from our website www.krbs.com or call 08451 22 11 22 and we will post one to you (**subject to availability and the terms and conditions of the new account**).

TO TRANSFER OUT ISA FUNDS TO ANOTHER PROVIDER

To transfer a KRBS ISA to another provider, without losing its tax status, you will need to complete the other provider's application form and transfer form and return these to them. Your new ISA provider will then send the transfer form to us to initiate the transfer of your ISA.

Please note: If you have a passbook ISA, we are unable to commence processing your transfer until we have received your passbook and covering letter informing us of your intention to transfer. Transfer requests should be returned to: KRBS TRANOUT, PO Box 174, CHATHAM, Kent ME4 4WG.

Once we have received your transfer instructions from your new provider, we may contact you by telephone or in writing to confirm your request to transfer and make you aware of our current range of ISA products.

Important: An ISA transfer can take up to 30 days from the date we receive all the necessary information. This includes receipt of the transfer request from your new ISA provider, receipt of your passbook (if applicable) and any other information we may need to complete the transfer.

The Society accepts no responsibility for delays in processing your transfer if they are caused by your new provider or you not providing the necessary information.

OTHER THINGS YOU NEED TO KNOW

Membership

If you are an individual, when you invest in a share account with Kent Reliance Building Society you become a member of the Society. The Society's Rules contain the terms which govern the relationship between the Society and you as a member of the Society and your rights and obligations as a member. A copy of the Rules is available through our branch and agency network or from our Head Office. An investor with a deposit account is not a member of the Society.

Marketing material

You have the opportunity on opening an account to let us know if you do not wish to receive any general marketing material from us about our products and services. The Society will remind you that you may opt-out of receiving marketing material from us at least once every three years. You may also opt-out of receiving marketing material from us at any time by writing to the Society's Secretary, Kent Reliance Building Society, PO Box 174, Chatham, Kent ME4 4WG.

FOR YOUR PROTECTION

We'll always treat your account in strictest confidence: We'll treat all your personal information as completely private and confidential (even if you stop being a Kent Reliance account holder). We won't give any of your details away to anyone else, except where we are required to do so by law. Under the Data Protection Act 1998, you are entitled to know what information we hold about you and to ask us to correct any inaccurate details. The Society may charge for this service. If you have any questions about the Data Protection Act or your rights under it, please write to the Society's Secretary, Kent Reliance Building Society, PO Box 174, Chatham, Kent ME4 4WG.

If we get it wrong we'll put it right: We do our absolute best to get everything right all the time, but if you believe we haven't, please let your local branch, agent or our Head Office know at once. Under our internal complaints procedure we aim to resolve all complaints by the close of business the following day. Where this is not possible, we will acknowledge receipt of your complaint within five working days, explain the reason for the delay and tell you who will be reviewing your complaint. Details of our complaints procedure can be obtained through our branch and agency network, Head Office or our website www.krbs.com

We are covered by the Financial Ombudsman Service: Whilst we hope to be able to resolve any problem through our internal complaints procedure, customers can appeal to the Financial Ombudsman Service after internal procedures have been exhausted. Details are available on request through our branch and agency network, Head Office or our website www.krbs.com

Our regulatory status and codes of practice: Kent Reliance Building Society is authorised and regulated by the Financial Services Authority (registered number: 206038) is a member of the Building Societies Association and the Financial Services Compensation scheme. For customer service and training purposes, calls may be monitored and/or recorded.

GENERAL TERMS AND CONDITIONS

These general terms and conditions apply to UK residents. Different terms and conditions may apply to non UK residents.

- 1. Account provider** - The account provider is Kent Reliance Building Society ('KRBS') and our principal office is Reliance House, Sun Pier, Chatham, Kent, ME4 4ET. We are authorised and regulated by the Financial Services Authority (registered number: 206038), a member of the Building Societies Association and the Financial Services Compensation Scheme.
- 2. Opening an account - Proof of identity and address requirements** - The Society will conduct various registration searches to establish proof of identity and address. If your identity cannot be verified electronically we will require proof directly from you. The Society's accounts may only be opened by UK residents.
- 3. Accounts opened on behalf of children under the age of 16** - All accounts, other than ISAs and inter-generational accounts, may be opened on behalf of children under the age of 16. Children up to the age of 7 will need a parent/ guardian/representative to open and operate accounts on their behalf. Once children reach the age of 7, they may operate the account. To do this the operator of the account will be required to provide authority and the child's signature to the Society. Once children reach the age of 16, the parent/guardian/representative may no longer operate the account. If the child has not previously been authorised to operate the account themselves, the parent/guardian/ representative will be required to provide authority and the child's signature to the Society. Lower withdrawal limits may apply to children under the age of 16.

If the child is entitled to receive interest without the deduction of tax, the child's parent/guardian must complete an HM Revenue & Customs form R85. In the absence of a completed R85, tax will be deducted from children's accounts in the normal way.

- 4. Cooling off** - After opening the account, you will have 14 days to reconsider your decision. You can withdraw your deposit up to the end of the consideration period without any loss of interest. If the deposit is a transfer from an existing account with the Society, the original account terms would be reinstated. If you've paid any cheques into your account, we can't return these funds until the cheque(s) have cleared - normally after six clear working days.
- 5. Fees and charges**
 - Electronic transfer (CHAPS) - £25 (guaranteed to be processed the same business day if instructions are received before 11.00am)
 - Duplicate or interim statement - £10

If we increase or add a charge, we will notify you personally at least 60 days before the change is effective.

- 6. Cheques** - Cheques withdrawn from your Kent Reliance account cannot be stopped except in the case of loss or theft. If a cheque is stopped, we can issue a replacement cheque, but this must be made payable to the same payee as the original. Cheques withdrawn and subsequently returned for investment will earn interest from the date of re-investment.

You must allow six clear working days for clearance on all cheques paid in, before withdrawal can be made against them. Post-dated cheques will not be accepted. Cheques can only be accepted if made payable to one or more account holder(s) with the account number on the reverse. The Society may refuse to accept cheques from third parties, other than financial institutions.

- 7. Transfers** - Transfer(s) from an existing account(s) held with the Society will be accepted, subject to normal transfer and withdrawal conditions applying on the relevant account.
- 8. Paying money in** - Non-cheque payments into your account on a business day will be made available to you on the day of receipt. Payments into your account received on a non business day, or after 3.00pm on a business day, will be treated as received on the next business day.
- Note:** Our branch and agency network will have different cut-off times - please check with the relevant branch or agency for further information.
- 9. When interest is paid** - For all account types, interest is calculated on the balance held in the account from the date a deposit is treated as received until the day before withdrawal/closure or transfer. For new accounts, interest will be paid either the date the initial deposit is received or the date your identity is adequately verified, whichever is the later. Unless account terms specify otherwise, interest is added to the account annually on 5 April.
- 10. Tax on interest** - Interest may be paid without deduction of tax to individuals who are eligible and certify that they do not expect to be liable to income tax. In the absence of the required certification, interest will be payable after deduction of income tax at the rate applicable to building society savings accounts. Where the tax deducted exceeds the investor's tax liability (if any), a claim may be made to HM Revenue & Customs for repayment of tax. In order to determine whether there is any liability to tax at the higher rate, the amount of interest actually paid or credited on the account must be included in the investor's annual income tax return, together with the amount of gross interest earned. Every year the Society is required to supply to HM Revenue & Customs particulars of interest paid or credited to investors. Interest on ISAs is paid in full with no tax deducted. Non taxpayers who are ordinarily resident in the UK can arrange to have their interest paid gross by completing a form R85, available from our website www.krbs.com, by calling our Head Office on 08451 22 11 22 or through our branch and agency network. If you need to check whether you are eligible to have your interest paid without tax deducted call the HM Revenue & Customs helpline on 08459 800 645. We are unable to pay interest without deduction of tax for non UK residents.
- 11. Telephone call recording** - Calls to and from Kent Reliance may be monitored and/or recorded for compliance, legal, customer service and training purposes.
- 12. Withdrawals** - A withdrawal request taking the balance below the minimum operating balance will be treated as a request to close the account. Posted cheque withdrawals will be sent to the first named account holder's registered address. A few days' notice is required for cash withdrawals in excess of £500 up to £2,500. Withdrawals in excess of £2,500 must be paid by cheque or bank transfer. The passbook must be sent with all withdrawal or transfer requests for passbook-operated accounts. We may require investors to produce proof of identity before permitting withdrawals and we may contact you by telephone as an additional security measure to confirm your instructions.
- Payments made by an electronic process for example BACS or standing order will be received by the recipient's building society/bank by the third business day. However, any withdrawal requests received by post may take up to four business days. From 1 January 2012, electronic payments will be received by the recipient's building society/bank by the following business day; withdrawal requests received by post may take up to two business days.
- Payment instructions received on a non business day, or after 3.00pm on a business day, will be treated as received on the next business day.
- If your payment does not reach the recipient's building society/bank, you will be protected so long as the details you gave us for making the payment were correct. If you tell us that the payment has not been received, we will investigate to see whether the payment reached the recipient's building society/bank. If it did, it will be their responsibility to correct any mistake.
- If the payment did not reach the recipient's building society/bank we will refund to you the amount of the payment and restore your account to the position it would have been in (for example by paying any interest you would have earned and refunding any interest or charges that you have paid as a result).
- If you give us the wrong account details for a payment, we will try to recover the funds for you if you ask us to, but we may charge you for doing so. We are not liable to compensate you if we are unable to recover the funds in these circumstances.
- 13. Unauthorised payments** - You must tell us as soon as possible after you become aware of any unauthorised payment. We will generally investigate the payment and, if the payment was not authorised by you, we will refund it and return your account to the position it would have been in (for example by paying any interest you would have earned and refunding any interest or charges that you have paid as a result).

However, you will be liable for:

- (1) all payments made from your account(s) if you have acted fraudulently; and
- (2) all payments on your account(s) that take place until you tell us that your payment instrument (for example passbook or bond certificate) has been lost or your passwords (or similar) have become known to someone else, if the payment was made because you deliberately or carelessly failed to keep your payment instrument safe. However, after you tell us, you will not have any further liability for unauthorised payments.

At the Society's discretion, you may be liable up to a maximum of £50 for any losses incurred in respect of unauthorised payments on your account.

14. Interest rates - Interest rates may vary from time to time and are set out on our interest rates sheet available on our website www.krbs.com, by calling our Head Office on 08451 22 11 22 and through our branch and agency network. We will notify rate changes either by advertising in The Times and The Sun or personally. If you hold a payment account with us (for example an instant access account) we may notify you not less than 60 days before the change takes effect; if you hold a non payment account with us (for example a fixed rate bond or a cash ISA) we will notify you not less than 30 days after the change takes effect. Where the rate on your account is linked to a reference rate, such as the Bank of England Base Rate (for example our Direct tracker rollover bond), your rate will change on the 1st day of the month after the reference rate changes and you will not be notified of this change.

15. Joint accounts - Several people may hold an account jointly, unless the terms of the account do not allow it to be a joint account. All information regarding the account will be sent to the first named account holder's registered address. Liability to and from the Society is joint and several, meaning that each named investor is responsible for all the obligations of the account. If we have reason to think that there is a dispute between account holders we may (but will not be obliged to) require the signatures of all account holders, despite any authorisation that has been given previously.

On proof of the death of any joint account holder, we will recognise only the survivor(s) as having any ownership of or interest in the account and the survivor(s) shall be entitled to operate the account on the same terms. Please note, until we have received either a statutory declaration or probate, we will only release funds for funeral expenses and inheritance tax.

16. Inter-generational accounts - The Society will allow any beneficiary(ies) to continue operating the account, after probate or letters of administration have been obtained, under the same terms and conditions and interest rate, except no further deposits will be allowed. For inter-generational ISAs, the account will no longer be eligible for any tax exemption applicable to ISAs at the time.

17. Lien - We have the right to retain and set-off all money in any account you hold with us against any money you may owe to us whether under a mortgage, loan, guarantee or otherwise which is due for payment but which has not been paid. We will give you notice in writing when we have done this. Interest or bonuses will not be paid on any money after it has been used in this way.

18. Dormant accounts - Where mail is returned to us marked "gone away", or there have been no transactions on a savings account other than those initiated by the Society for a period of three years or more and we have not heard from you during this time, we may flag the account as inactive. To reactivate an inactive account, we will need to establish proof of identity and address. We are a member of the Building Society Association's Dormant Account Scheme.

19. Changes to terms and conditions - We may change these terms and conditions and any special condition(s) applying to particular accounts for any valid reason where we reasonably believe a change is appropriate. Changes to interest rates will be subject to condition 14; any other change to your disadvantage will apply only after we have given you at least 60 days' personal notice before the change takes effect. All other changes will be notified via our website (www.krbs.com) and notices will be displayed in our branches and agencies. We can limit at any time without notice the amount which may be withdrawn in respect of any account, if we reasonably consider it necessary in order to protect the interests of our membership as a whole. The issue of accounts may be suspended from time to time at the Society's discretion.

You will be treated as accepting any change(s) we make unless you tell us (before it is due to come into effect) that you want to terminate your agreement with us and not accept the change.

20. Terminating this agreement - You may terminate this agreement at any time by notifying us in writing at our Head Office address, subject to any specific terms applicable to your account. We may terminate this agreement at any time by notifying you in writing at the first named account holder's registered address at least 60 days in advance; where there are exceptional circumstances for example fraud, threatening or abusive behaviour towards our staff, this notice period will not apply.

- 21. Notifications** - Where we refer to personal notification of changes to your account's terms, this will be in writing unless you have registered for Online Services in which case we may notify you by e-mail or in writing.
- 22. Society Rules** - You will, by opening a share account, become a member of the Society. Your rights and obligations as a member will be as set out in the Rules of the Society for the time being in force, copies of which are available on request. In the event that you breach your obligations and investment contract we will require you to indemnify us in respect of any loss we may suffer as a result. If your account is held jointly then we may hold either of you responsible to indemnify us in respect of any breach of your obligations.
- 23. Law and jurisdiction** - Operation of all accounts will be governed by English Law and the language we will use in our communications will be English. We will not be liable to you for any breach of or failure to perform our obligations where that breach or failure is due to abnormal and/or unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all the Society's efforts to the contrary.
- 24. Financial Services Compensation Scheme ('FSCS')** - The FSCS, set up under the Financial Services and Markets Act 2000, may cover your account. The FSCS is mainly available to private individuals although some small businesses are covered. Larger businesses are generally excluded. For money held in a building society/bank in the UK, the scheme will cover up to the greater of £50,000 or €50,000 of your claim. Private individuals and small business client funds may be covered. For more information on the conditions of the scheme please contact the FSCS at www.fscs.org.uk

ISA TERMS AND CONDITIONS

1. You may only subscribe to one Cash ISA in any tax year (the period from 6 April to 5 April the following year). Multiple KRBS ISA products are treated as a single ISA for HMRC purposes. Therefore, you may split your ISA allowance between multiple KRBS ISA products.
2. The current maximum you can subscribe to a Cash ISA in a tax year is £3,600, £5,100 for those aged 50 or over by 5 April 2010. From 6 April 2010, the £5,100 limit will be available to everyone. This limit may be altered by the government in the future. Transfers of previous tax year ISA subscriptions from another provider DO NOT count towards this tax year's ISA subscription limit. Transfers of current tax year ISA subscriptions DO count towards this tax year's ISA subscription limit.
3. By subscribing to a Cash ISA you will be limiting the amount of tax free savings in equities you may make in a Stocks and shares ISA.
4. A Cash ISA may only be held by an investor in his or her sole name. A Cash ISA cannot be a joint account or held on behalf of a person other than the account holder.
5. You must be at least 16 years old to invest in a Cash ISA.
6. You must be resident and ordinarily resident in the United Kingdom for tax purposes.
7. You may make withdrawals from your Cash ISA, subject to the specific terms of the account. Once withdrawn, funds cannot be replaced without counting again towards the annual subscription limit.
8. You may transfer the whole or part of your Cash ISA to another ISA provider, subject to the specific terms of the account. We will complete the transfer within 30 days from the date a valid transfer request is received from the new ISA provider and all other requirements to initiate a transfer are met.
9. The Society cannot accept transfers of a Stocks and shares ISA from another provider.
10. A Cash ISA may not be transferred from one investor to another.
11. For fixed rate and fixed rate end date cash ISAs with a term of one year or less, interest will be payable on maturity. For all other fixed rate and fixed rate end date cash ISAs, interest will be payable on 5 April each year and on maturity.
12. The interest rate on fixed rate or fixed rate end date cash ISAs is fixed for the term of the account. We will write to you at least 10 days prior to the maturity date of your ISA with details of investment opportunities with the Society. If we do not hear from you with alternative instructions prior to maturity, the balance will be transferred automatically to our Direct variable rate cash ISA.
13. Favourable tax treatment may not be maintained in the future.

14. In the event of death, any interest due up to the date of death will be paid gross. From that date the account ceases to be a Cash ISA and interest will be subject to the deduction of tax.
15. Your Cash ISA must not be used as security for a loan.
16. Due to HM Revenue & Customs regulations, if you do not make a subscription to your Cash ISA in any tax year, you are required to complete a new application form, should you wish to continue to invest in subsequent years.
17. Your Cash ISA will be operated in accordance with prevailing rules, regulation and legislation, which may be varied from time to time by the government.
18. We will notify you if, by reason of any failure to satisfy the provisions of the ISA rules, your Cash ISA has, or will become void.

KRBS is a carbon neutral company

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