

Flexible Freedom

Are you looking for a competitive high interest rate account with easy access and exceptional branch service? Then our Flexible Freedom account could be what you're looking for. The account is available to people aged 50 years and above and you can invest from £500 to £1,000,000 (£2,000,000 for joint accounts). The account will require at least one direct pension credit to be paid into the account each month.

Summary Box	
Key Product Information for our Savings Account(s)	
Account Name	Flexible Freedom
Interest rates (AERs)	<u>Annual Interest</u> 2.00% Gross* p.a. / AER^Δ (Variable) <u>Monthly Interest</u> 1.75% Gross* / 1.76% AER^Δ (Variable) Guaranteed not to be less than 1% below Bank of England Base Rate until 1 September 2011.
Tax Status	The gross rate(s) of interest shown will be payable net of the appropriate rate of income tax (which may be reclaimed by non-taxpayers) or, subject to the required certification, gross.
Conditions for bonus payment	There is no bonus available on this account.
Withdrawal arrangements	Unlimited withdrawals can be made without notice or loss of interest subject to the minimum operating balance of £500 being maintained. If the account balance falls below £500 the account will be closed.
Access	Account can be opened through any of our branches or by post, and can be operated through any of our branches or by post.

* Gross means the rate of interest payable before the deduction of income tax at the rate specified by law. The tax treatment depends on the individual circumstances of each customer and may be subject to change. ^Δ Annual Equivalent Rate illustrates what the interest rate would be if interest was paid and added each year. Rates correct as at 24 August 2009.

Other Product Features

Minimum and maximum investment and operating balance

The minimum investment is £500 and the maximum investment is £1,000,000 (£2,000,000 for joint accounts). One direct pension credit must be paid into the account each month.

When is interest paid?

Interest is paid annually on 1 September or monthly on the last working day of each month.

How is interest paid?

Annual interest can either be credited to the account or transferred either to another building society/bank account or to another account held with the Society. Monthly interest must be transferred either to another building society/bank account or to another account held with the Society.

Eligibility

The account is available to people aged 50 years and above and will require at least one direct pension credit to be paid into the account on a regular basis (i.e weekly/monthly).

Product Terms & Conditions

The Society's General Investment Conditions will apply unless (and to the extent that) they are inconsistent with these Terms and Conditions.

Flexible Freedom

(Effective from date of account opening)

- The Flexible Freedom account is a variable rate, non-fixed term account. The rate of interest is variable and guaranteed not to be less than 1% below the Bank of England Base Rate until 1 September 2011.
- The Flexible Freedom account is only available to individuals resident in the UK aged 50 years or over. The account is not available to minors, corporate bodies, trustees, executors or nominees.
- The Flexible Freedom account is limited to one account per customer.
- The minimum investment and operating balance is £500. The maximum investment and operating balance is £1,000,000 (£2,000,000 for joint accounts).
- Additional funds up to the maximum investment and operating balance of £1,000,000 (£2,000,000 for joint accounts) may be invested whilst the issue remains open for further investment.
- Interest is calculated daily and paid annually on 1 September or monthly on the last working day of the month. The interest rate payable is guaranteed to be not less than 1% below the Bank of England Base Rate until 1 September 2011. In accordance with this guarantee, changes to the Base Rate will be passed on from the first day of the following month.
- Annual interest can be credited to the account or either transferred to another building society/bank account or to another account held with the Society. Monthly interest must be transferred either to another building society/bank account or to another account held with the Society.
- Unlimited withdrawals can be made at any time subject to the minimum operating balance of £500 being maintained. If the account falls below £500 the account will be closed. The account can be closed at any time without notice or loss of interest.
- The Flexible Freedom account may be withdrawn without notice.
- At least one direct pension credit (State or Private) must be paid into the account each month. If you do not make at least one direct pension credit to the account each month, we may close the account and repay your investment to you.
- The Flexible Freedom account can only be operated through Leeds Building Society branches.

What about income tax?

The gross rate of interest shown will be payable net of the appropriate rate of income tax (which may be reclaimed by non-taxpayers) or, subject to the required certification, gross. If you are a non-taxpayer and require your interest to be paid gross, an 'Interest with no tax deducted' form is available on request. The tax treatment depends on the individual circumstances of each customer and may be subject to change in the future.

What if I change my mind?

From the date of account opening you have 14 days to notify us (in writing) if you are not happy with your choice of account. Please write to Investment Services, 105 Albion Street, Leeds LS1 5AS. Within that period we will, if instructed by you, refund your investment with interest from account opening, or subject to eligibility, transfer the investment to another account of your choice without any charge for early withdrawal.

What if I have a complaint?

We aim to provide a high quality service to customers at all times. Unfortunately mistakes do occur, but when this happens we shall do our best to resolve problems or misunderstandings which arise. Should you need to refer a matter of complaint to us, details of the procedure are available from your local branch or our Customer Helpline. Ultimately, your complaint may be referred to the Financial Ombudsman Service, of South Quay Plaza, 183 Marsh Wall, London E14 9SR or to the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

How to open an account

To open an account at one of our branches or by post you will need to provide the following:

- A completed and signed application form; and
- A deposit for your investment (for postal applications, a personal cheque is preferred).

Verifying your identity

Under the Money Laundering Regulations and Financial Services Authority rules, we are required to verify the name, address and date of birth of investors. To do this, we will ordinarily use an electronic verification system.

For branch applications, you will also need to supply additional proof of your identity, preferably in the form of a full UK or EU photo driving licence or a valid UK or EU passport. For postal applications, you will need to supply a certified copy of one of the above documents or an original utility bill which is less than 3 months old (not a mobile phone bill). For details of other forms of acceptable identification, please contact your local branch (for branch applications) or call our Customer Helpline on 0113 225 7777 (for branch or postal applications).

Existing Customers

If you already have an open account with us, you do not ordinarily need to provide any proof of your name or address. Please ensure you write your existing account number in the space provided on the application form.

Leeds Building Society is a member of the Building Societies Association. The Society is a participant in the Financial Services Compensation Scheme established under the Financial Services & Markets Act 2000. Payments under this scheme are limited to a maximum of £50,000 or €50,000 (whichever figure is higher on the day of default) of an investor's 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 Society.

The Society is covered by the Financial Ombudsman Service. We may monitor and/or record your telephone conversations with the Society to ensure consistent service levels (including staff training).

The Society's main business is the provision of savings products, mortgages and general insurance. The Society offers some investment products that may be operated through branches and by post and certain products, which can be operated by post only.

Leeds Building Society is authorised and regulated by the Financial Services Authority and our registration number is 164992. You can check this on the FSA Register by visiting the FSA website at www.moneymadeclear.fsa.gov.uk or by contacting the FSA on 0845 606 1234.

Other taxes or costs may exist that are not paid by Leeds Building Society.

Large text, Braille and audio tape versions of our brochures are available on request.

Rates are correct at time of printing.