

## **Notice to former Portman members - Charitable Assignment**

The following offers a guide to charitable assignment for Portman members who joined Nationwide upon our merger with Portman Building Society on 28 August 2007 (the Effective Date).

### **What is charitable assignment?**

Many building societies operate what is known as a charitable assignment scheme. The effect of a charitable assignment scheme is that a member who has agreed to do so on applying to open a new account will, in the unlikely event of a conversion or takeover of the society, be bound to assign to charity any rights to conversion benefits to which the member would otherwise become entitled as a member or depositor of the society. The scheme would not apply on a merger of two societies.

Nationwide operates a charitable assignment scheme affecting shareholding members and borrowing members of Nationwide who applied to open a savings or mortgage account for the first time on or after 3rd November 1997. The scheme continues to apply before and for two years after a person's membership of Nationwide comes to an end.

Portman, Lambeth and Staffordshire Building Societies also operated charitable assignment schemes. These schemes applied only to new shareholding members of Portman, Lambeth or Staffordshire who opened a savings account with the relevant society for the first time on or after:

- 1 January 2000 (for Portman);
- 30 September 1999 (for Lambeth); and
- 4 January 2000 (for Staffordshire).

The Portman, Lambeth and Staffordshire schemes each apply for a period of five years from the date on which a person became a shareholding member of the relevant society.

### **What is my charitable assignment status?**

The scenarios around charitable assignment can be complex and involve different permutations dependent on the precise facts applying to each individual member. However, the general principle is that your charitable assignment status as from the Effective Date remains the same as before the Effective Date. This means that:

- if you were subject to the Portman, Lambeth or Staffordshire charitable assignment scheme before the Effective Date, the terms of that scheme will continue to apply to you for the remainder of the relevant five year term; and
- if you were subject to the Nationwide charitable assignment scheme before the Effective Date (i.e. as a member of Nationwide before the merger), the Nationwide scheme will continue to apply to you (without prejudice to your Portman, Lambeth or Staffordshire charitable assignment status).

### **What happens when I open a new account?**

Unless you were already subject to the Nationwide charitable assignment scheme as a shareholding or borrowing member of Nationwide immediately before the Effective Date, you will not become bound by the Nationwide charitable assignment scheme if you take out any new savings or borrowing products of Nationwide as from the Effective Date, provided you have maintained continuous membership of Nationwide since the Effective Date. The charitable assignment wording on the Nationwide application form will not apply to you.