



# Charitable Assignment

Important information for new members

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### **Why did we introduce Charitable Assignment?**

Newbury Building Society is committed to remaining an independent, mutual building society run for the benefit of our members. Following a period where our normal business was disrupted by 'speculative investors', all new customers are required to assign any windfall conversion benefits to which they might become entitled to the Charities Aid Foundation (Registered Charity Number 268369). The Charitable Assignment scheme, introduced on 21st February 2000, helps to meet the needs of our genuine savers and ensure service remains focused on our members' best long term interests.

In order to achieve this, new customers opening a savings account or being added to an existing savings account which gives membership of the Society are required to sign a declaration, included in our application forms, which assigns any windfall conversion benefits to which they become entitled to the Charities Aid Foundation. This agreement will last for the first five years of membership, after which the declaration will cease to have effect.

### **What do we mean by assigning benefits?**

In general, all customers will sign away any possible investment windfall conversion benefits to which that member might become entitled to, to the Charities Aid Foundation, unless they have had continuous membership for 5 years.

### **What do we mean by windfall conversion benefits?**

This means a benefit in the form of a distribution to shareholding members which may be paid in the unlikely event of any transfer of the Society to a company on conversion or takeover.

### **Can I choose my own charity?**

Customers are not entitled to choose their own charity. The Charities Aid Foundation receives and administers charitable donations, which are distributed to other specific charitable organisations.

### **What is the Charities Aid Foundation?**

The Charities Aid Foundation is a long established charity and its purpose is to make sure that giving to charities is as effective as it possibly can be. They have agreed to use any money received by them under the assignment scheme to support housing, education, health and the relief of social exclusion, within our operating area.

### **What if I was already a member?**

The declaration is included on all investment application forms. However, if you are already a member at the effective date the declaration will not affect you at all.

### **Are there any exceptions?**

Yes, a comprehensive list of all exemptions can be obtained by contacting the Society's Head Office, but in summary they are, where the account has been opened for a period of more than 5 years:

- Transfer of an account of a deceased member to a personal representative
- Transfer of an account held for the benefit of a child, such as where a nominee is present, into the child's sole name
- Transfer of a club / unincorporated account to new office holders
- Please note, the assignment relates to shareholding members only and not borrowing members.

### **Does this mean Newbury are planning to convert?**

No, it is the Society's committed intention to continue being an independent mutual building society. These arrangements ensure we can deliver that value to all, without the need for high minimum investment levels to counter the disruptive actions of 'speculative investors'.

### **How can I get more information?**

If you would like any further information contact our Head Office on **01635 555700** between **9:00am** and **5:00pm** on a business day.