Leeds Building Society

Rainy Day ISA (Issue 3)

keyfacts®

The Financial Conduct Authority is a financial services regulator. It requires us, Leeds Building Society, to give you this important information to help you to decide whether our Rainy Day ISA (Issue 3) is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

<table>
<tr><th colspan="2">Summary Box
Key Product Information for our Savings Account(s)</th></tr>
<tr><td>Account Name</td><td>Rainy Day ISA (Issue 3)</td></tr>
<tr><td>Interest rates (AERs)</td><td>Annual Interest
<table>
<tr><th>Account balance</th><th>Rate of interest</th></tr>
<tr><td>£10,000 - £24,999.99</td><td>0.80% Tax free† p.a./AER# (variable)</td></tr>
<tr><td>£25,000 - £49,999.99</td><td>0.85% Tax free† p.a./AER# (variable)</td></tr>
<tr><td>£50,000 - £250,000</td><td>0.90% Tax free† p.a./AER# (variable)</td></tr>
</table>
The maximum investment amount is £250,000 including 2016/2017 ISA funds, previous year ISA funds and accrued interest. The maximum you can invest for the 2016/2017 tax year is £15,240 (less any amount invested in a Stocks and Shares ISA and/or an Innovative Finance ISA in the same tax year). If the investment amount exceeds £250,000 including accrued interest, the interest rate that shall apply to the whole of the investment amount will be 0.40% Tax free† p.a./AER# (variable).</td></tr>
<tr><td>Tax Status</td><td>This is a tax free account so interest payable is exempt from income tax. The tax treatment depends on the individual circumstances of each customer and may be subject to change in the future.</td></tr>
<tr><td>Conditions for bonus payment</td><td>There is no bonus available on this account.</td></tr>
<tr><td>Withdrawal arrangements</td><td>Access is limited to 6 withdrawals per calendar year without notice or loss of interest, subject to the minimum balance of £10,000 being maintained. If you exceed this number of withdrawals (including closure of the account), the account will be subject to 30 days' loss of interest or an equivalent amount on the amount withdrawn.
This is not a flexible ISA meaning any amount withdrawn cannot be replaced and will count towards your yearly ISA limit.</td></tr>
<tr><td>Access</td><td>This account can be opened through any of our branches, via our website or by post and can be operated through any of our branches or by post.</td></tr>
</table>

†Tax free means that interest payable is exempt from income tax. #AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and added each year. Rates correct at 6 October 2016.

This account may be closed for further deposits upon a minimum of 30 days' notice.

Minimum/Maximum Investment and Operating Balance (2016/2017 tax year)

- The minimum investment and operating balance is £10,000. If the balance falls below

£10,000, the basic investment rate of interest which is currently 0.05% Tax free[†]p.a./AER[#] (variable) shall apply.

- The maximum investment amount is £250,000 including 2016/2017 ISA funds, previous year ISA funds and accrued interest. The maximum you can invest for the 2016/2017 tax year is £15,240 (less any amount invested in a Stocks and Shares ISA and/or an Innovative Finance ISA in the same tax year). If the investment amount exceeds £250,0000 including accrued interest, the interest rate that shall apply to the whole of the investment amount will be 0.40% Tax free[†] p.a./AER[#] (variable)
- **This is not a flexible ISA meaning any amount withdrawn cannot be replaced and will count towards your yearly ISA limit.**
- This is a Cash ISA. The amounts you can invest are set by HM Revenue & Customs (HMRC) and therefore may change. Please see below for further information.

When is interest paid?

Interest is calculated daily and paid annually on 30 November commencing 30 November 2017.

How is interest paid?

Interest can be credited to the account or transferred to another building society/bank account or to another account held with the Society.

What is an ISA?

An ISA (Individual Savings Account) is simply a way of investing your money tax free. ISAs have no set investment period, though there are limits on the amount you can invest. There are three types of ISAs: Cash ISAs, Stocks and Shares ISAs and Innovative Finance ISAs.

The basics:

- You can only invest in one Cash ISA, one Stocks and Shares ISA and one Innovative Finance ISA in each tax year. Leeds Building Society does not offer Stocks and Shares or Innovative Finance ISAs.
- You can open a Cash ISA if you're 16 or over (18 for Stocks and Shares or Innovative Finance ISAs) and you're resident in the United Kingdom or, if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person.
- It is likely that ISAs will be available for the foreseeable future, although their tax treatment may change.

How much can I invest/withdraw?

- The overall ISA limit is £15,240 for the 2016/2017 tax year. You can choose whether you wish to invest the full ISA limit in a Cash ISA, a Stocks and Shares ISA, an Innovative Finance ISA or a combination of all three – however, if you do decide to invest in all three your overall investment must not exceed £15,240.
- You can withdraw money from your Cash ISA at any time, and your interest will still be paid, tax-free (although please note that for some products early withdrawal/transfer charges or restrictions may apply). However, any amount withdrawn will count towards your overall ISA limit, for example:

You invest to a Cash ISA:	£2,240
Then withdraw:	£500
Your remaining limit is (provided you have not invested in a Stocks and Shares ISAs and/or Innovative Finance ISA in the same tax year):	£13,000
Maximum ISA limit:	**£15,240**

How to transfer your existing Cash ISA or Stocks and Shares ISA to Leeds Building Society

Cash ISA

To transfer all or part of your existing Cash ISA to a Leeds Building Society Cash ISA you will need to complete the Cash ISA Transfer Authority Form and Cash ISA Application Form (if required).

Stocks and Shares ISA

If you wish to transfer your full existing Stocks and Shares ISA to a Leeds Building Society Cash ISA you will need to complete the Stocks and Shares to Cash ISA Transfer Authority Form and Cash ISA Application Form (if required).

How to transfer your Leeds Building Society Cash ISA to another ISA Manager

If you wish to transfer all or part of your Cash ISA to another ISA manager prior to the maturity date, you will need to contact your new ISA manager and complete their transfer request form. HMRC guidelines state that a Cash ISA transfer must be completed within 15 working days of receipt of an instruction from you. For further details, please see condition 6 of the Product Terms and Conditions (Transferring your Leeds Building Society Cash ISA to another ISA Manager) below.

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 Team, Leeds Building Society, 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. Please refer to the Society's General Investment Conditions for further information.

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 on 0113 225 7777. Ultimately, your complaint may be referred to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR (www.financial-ombudsman.org.uk).

Please note: the tax treatment of ISAs may change. This is a Cash ISA. You may only invest in one Cash ISA in each tax year (although in any such year you may also invest in a Stocks and Shares ISA and/or Innovative Finance ISA, subject to the overall ISA limits). By opening a Cash ISA you will be limiting the amount you can invest in a Stocks and Shares ISA and/or an Innovative Finance ISA.

Product Terms & Conditions: Rainy Day ISA (Issue 3)

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

Effective from the date of account opening

1. Operation of the account

1.1 The Rainy Day ISA (Issue 3) is a variable rate, non-fixed term account.

1.2 The account can be opened through any of our branches, via our website or by post and can be operated through any of our branches or by post.

1.3 Where the account is operated by post, the Society will aim to deal with all transactions within two working days of receipt of a request. However, the Society cannot be held responsible for delays due to unforeseen circumstances and postal delays.

1.4 The account may be withdrawn from sale at any time and without notice.

1.5 The operation of the account is subject to the applicable provisions of the ISA Regulations. The Society will notify you if, by reason of any failure to satisfy the ISA Regulations, the ISA has, or will, become void.

1.6 The Society will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.

1.7 The tax treatment of ISAs may change.

2. Eligibility

2.1 This account is only available to individuals aged 16 and over who are resident in the United Kingdom, or if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person.

2.2 This account cannot be held in joint name.

2.3 ISA investments will be, and must remain in, the beneficial ownership of the account holder and must not be used as security for a loan.

2.4 A Cash ISA cannot be opened by a person other than the account holder except where someone is unable to complete an application form due to physical or mental incapacity and the Society is provided with such evidence/documentation as it may require (although the account must be in the name of the person incapacitated).

2.5 You can only invest in one Cash ISA in any one tax year.

3. Deposits/Transfer-in

3.1 The minimum investment and operating balance is £10,000. If the balance falls below £10,000 the basic investment rate of interest which is currently 0.05% Tax free[†] p.a./AER[#] (variable) shall apply.

3.2 The maximum investment amount is £250,000 including 2016/2017 ISA funds, previous year ISA funds and accrued interest. If the investment amount exceeds £250,000 including accrued interest, the interest rate that shall apply to the whole of the investment amount will be 0.40% Tax free[†] p.a./AER[#] (variable).

3.3 The maximum you can invest for the 2016/2017 tax year is £15,240 (less any amount invested in a Stocks and Shares ISA and/or an Innovative Finance ISA in the same tax year). You must not exceed the ISA limits in any one tax year.

3.4 You can transfer into this account existing 2016/2017 ISA funds or previous year ISA funds held in a Cash ISA or Stocks and Shares ISA up to a maximum amount of £250,000 including accrued interest and subject to the 2016/2017 ISA funds limit.

3.5 On receipt of a transfer instruction from you, the Society will send it to the old ISA manager, together with confirmation that the Society will accept the transfer, within 5 working days of the date of receipt. On receipt of the cash and accompanying information from the old ISA manager, the Society will credit the cash to the ISA account within 3 working days of the date of receipt.

3.6 Deposits in future tax years may be made up to the applicable Cash ISA limit provided that the account has not been closed to further deposits and subject to condition 3.4 above.

3.7 Where you have not invested your full ISA allowance for the 2016/2017 tax year and the product has closed for further deposits, you will only be able to utilise your full ISA allowance by transferring your ISA to another Leeds Building Society ISA or to another ISA manager, in which case you may incur a loss of interest as set out in condition 5 below (Withdrawals).

3.8 The account may be closed for further deposits upon a minimum of 30 days' notice.

4. Interest

4.1 Interest is calculated daily and paid annually on 30 November (commencing 30 November 2017).

4.2 Interest can be credited to the account or transferred to another building society/bank account or to another account held with the Society.

5. Withdrawals

5.1 Access is limited to 6 withdrawals per calendar year without notice or loss of interest, subject to the minimum balance of £10,000 being maintained. If you exceed this number of withdrawals (including closure of the account), the account will be subject to 30 days' loss of interest or an equivalent amount on the amount withdrawn.

5.2 <u>This is not a flexible ISA meaning any amount withdrawn cannot be replaced and will count towards your yearly ISA limit.</u>

6. Transfer your Leeds Building Society ISA to another ISA Manager

6.1 If you wish to transfer all or part of your ISA to another ISA manager we will transfer this in accordance with the ISA Regulations relating to transfers. On receipt of a transfer instruction form

from the new ISA manager we will send the funds and accompanying information to the new ISA manager within five business days of the date of receipt.

6.2 On your instructions, and within such time as you shall stipulate, all or part of the investments held in the ISA and any interest arising from those investments shall be transferred or paid to you.

7. Death of an account holder

7.1 In the event of your death, interest to the date of death will remain tax-free, but interest arising after the date of death will be subject to tax. No further investments will be permitted into the Cash ISA. When we receive notice of your death, we will close the account and transfer the balance to a non-ISA product. Full details including Terms and Conditions will be provided at this time.

Opening your Account

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 Conduct 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 and either an original or certified copy of a utility bill which is less than 3 months old (not a mobile phone bill). In some circumstances, it may be necessary for you to provide additional forms of identification. If this is required, we will notify you separately. 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.

General information for all Customers

We may monitor and/or record your telephone conversations with the Society to ensure consistent service levels (including colleague 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.

Your eligible deposits with Leeds Building Society are protected up to a total of £75,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. This limit applies to the total of all deposits held in a Leeds Building Society account in either the UK, Gibraltar and/or Ireland. Any deposits you hold above the limit are unlikely to be covered. Please contact the Society for further information or visit www.fscs.org.uk

Leeds Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Leeds Building Society is registered on the Financial Services Register under number 164992. You can check this by visiting the FCA website at www.fca.org.uk or by contacting the FCA on 0800 111 6768.

Leeds Building Society is a member of the Building Societies Association.

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.

Head Office: 105 Albion Street, Leeds LS1 5AS