

Press Release

7 February 2005

Nationwide launches integrated benefits and rewards platform

Swindon 7 February 2005 – Nationwide Building Society, the 4th largest mortgage lender in the UK, today announced the launch of a single website available to its 15,300 employees for information and action across a wide range of benefits and rewards. The first phase of the integrated system gives employees online access to enrolment and administration of flexible benefits and will go on to provide access to bonus/recognition earnings and redemption as well as a comprehensive pay and benefits statement.

The new platform, branded as Fruitful, was designed by flexible benefit providers Vebnet, combining their FIX&FLEX® system with technology from motivation specialists Grass Roots. The system has been designed to interface with Nationwide's PeopleSoft HR platform, payroll, and the incentive programme operated by Grass Roots for Nationwide, where employees can earn rewards based on performance.

Nationwide Building Society employees have enjoyed flexible benefits for a number of years. The Choices programme has both flexible and voluntary benefits including a home PC initiative, childcare vouchers and privileged purchases from a comprehensive range of discounted goods and services. Choices was previously managed by paper based enrolment and administration processes, so the move to an online platform from 2005 opens up a new era in speed, efficiency and accessibility.

The launch of the new system delivered the most successful scheme on record with new selections made by over 50% of Nationwide's employees. This covered 11,300 benefit options all offering substantial savings for employees. Paul Bissell, Senior Manager Rewards at Nationwide, said, "We are delighted with the implementation of Fruitful, which is testimony to the tremendous hard work and collaboration between our in house specialists and business partners. All of our employees now have a single platform on which to view their benefits, select from within the Choices programme and gain access to a substantial number of core and discounted voluntary products. In addition, having a single integrated solution allows us to more effectively communicate and manage all aspects of our total rewards programme, which in turn will lead to a better understanding on the part of our employees as well as significant efficiencies in ongoing administration."

Gerry O'Neill, CEO of Vebnet, commented, "I believe Fruitful represents the most comprehensive platform in the market today and one that will grow as enhancements are added to reflect the evolution of Nationwide's reward strategy".

Andy Lister, Head of Benefits Services at Grass Roots, added, "From our point of view this is an exemplary programme, using technology to minimise the administrative burden for the employer and to maximise accessibility for the employee".

This is the first phase of a number of scheduled online developments for Fruitful. Future plans include increased self-service functionality for employees, total remuneration statements, and an integrated bonus/recognition system linked to individual value accounts and a sophisticated shopping channel. The result will be a comprehensive and holistic system of rewards with one point of access.

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About Nationwide Building Society

Nationwide is the UK's fourth largest mortgage lender and seventh largest retail banking, savings and lending organisation by asset size – in excess of £100bn. Nationwide is based in Swindon with a second major administrative centre in Northampton and has an extensive branch network (681 offices) throughout the UK.

Nationwide is widely acclaimed as one of the top employers in the country and has won numerous awards for its approach to employee practices. It is the top financial services organisation in the Sunday Times Top 100 Companies Best to Work for in 2004 and is ranked the 18th best company in the UK to work for.

About Vebnet

Vebnet develops and deploys technology for the management and administration of fixed, flexible and voluntary employee benefit programmes, using internet/ intranet delivery platforms. Vebnet was founded in July 2000 with seed funding from Cross Atlantic Capital Partners. Vebnet's core product, FIX&FLEX®, was launched in September 2001. This product is sold to corporate customers through both licence and direct channels.

About Grass Roots

The Grass Roots Group is the country's largest provider of salary sacrifice schemes, and in a wider context is the leading company in the field of employee motivation. The defined services offered by the company are Benefits, Communication, Learning, Measurement, Diversity, Awards and Events: either singly or in any combination their common purpose is to help client organisations become more effective by helping employees, partners and customers to become more informed, productive and satisfied.

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