

# Charitable Assignment

## A little bit of history

We're proud to be a mutual building society. This means we're owned by our members. We don't have external shareholders like a bank and so we put the interests of our members first.

We don't have any plans to become a bank. But at one time there was significant business disruption caused to many building societies by new customers opening accounts just because they hoped to get "conversion benefits" (e.g. a windfall payment) if the building society was to transfer the whole of its business to a company and to become a bank.

That's why, since 1998, when you open a new share account (e.g. a savings account) with us, we ask you to agree to a Charitable Assignment Agreement like the one set out here. This requires you to agree that in the unlikely event that we transfer our business to a company within five years of you becoming a shareholding member of the Society, any conversion benefits to which you may become entitled as a result of that transfer will go to charity. The five year period referred to above will only restart if there is a break in your shareholding membership of the Society i.e. you close all of your savings accounts with us and then open another savings account at a later date. Here you will find the terms of the agreement.

## Charitable Assignment Agreement

For the purposes of this agreement, "Society" means Coventry Building Society and, if it merges with any other building society, includes that other society.

This document is a Charitable Assignment Agreement. It sets out the terms under which you agree to assign to the Coventry Building Society Charitable Foundation certain benefits you might otherwise have received in the unlikely event that the Society transfers its business to a company. Please read it carefully.

## Who does this agreement apply to?

The following wording applies to you unless:

1. you were a member of the Society on 2 November 1998 and have continued to be a member ever since; or
2. you are already a shareholding member of the Society, you have previously agreed to a charitable assignment in either the same or similar terms as this agreement, and you have continued to be a shareholding member ever since (in which case the terms of the previous agreement will continue to apply);'
3. you fall within a special excluded group of people that we have decided the charitable assignment scheme will not apply to. You can contact the Society's Secretary at its Principal Office to request a copy of the current list of excluded groups (if any). The list may change from time to time. If the list changes, it doesn't change your agreement, even if you are in a group that's been added to the list.

# Who do you make this agreement with?

You make this agreement with:

- the Society; and
- Coventry Building Society Charitable Foundation (the “Foundation”).

# What do you agree to do?

By applying to open a share account (e.g. a savings account) with the Society, you agree that if, in the future, the Society enters into an agreement to transfer the whole of its business to a company (i.e. on conversion or takeover), you will assign to the Foundation (or to any charity nominated by the Foundation), your rights to any “conversion benefits”.

“Conversion benefits” means any benefits under the terms of any future transfer of the Society’s business to a company to which you would become entitled as a shareholding member or depositor of the Society at any time within the five years immediately following the date on which you became a shareholding member of the Society (or within a shorter time if the Society considers this to be appropriate). The five year period referred to above will only restart if there is a break in your shareholding membership of the Society. Any conversion benefits that you become entitled to in the five year period will be assigned to the Foundation (or to any charity nominated by the Foundation).

However, this does not include your statutory right for the money that you hold in a share account with the Society to become a deposit with the company.

This agreement means that, without any further notice to you:

- you will not receive any relevant conversion benefits;
- the Society may transfer or assign to the Foundation (or to any charity nominated by the Foundation) these conversion benefits; and
- the Foundation may exercise all your rights in relation to these conversion benefits.

This agreement is irrevocable. That means it cannot be changed or reversed. The Society and the Foundation will not release you from this agreement.

The Society will require (on behalf of itself and the Foundation) that all applicants for share accounts agree to the same condition (or a condition having substantially the same effect). However, the Society may decide and announce by press release that it is no longer in the best interests of the Society to require future share account applicants to agree to this condition. If the Society does make this decision, you will continue to be bound by this agreement.

You agree that we can provide information about you and your accounts with us to the Foundation if it may reasonably require that information in connection with this agreement.