

TERMS AND CONDITIONS

GBP Floating Rate Covered Bond – Series 9	
Issuer	Coventry Building Society
Guarantor	Coventry Building Society Covered Bonds Limited Liability Partnership
Expected Issue Ratings	Aaa (Moody's), AAA (Fitch)
Joint Lead Managers	Barclays, Lloyds Bank Corporate Markets, Natixis
Status of the Notes	Regulated UK Covered Bond
Instrument	Floating rate
Currency	GBP
Size	£ 500,000,000
Trade Date	6 November 2018
Settlement Date	13 November 2018 (T+5)
Final Maturity Date	The interest payment date falling on or nearest to 13 November 2023
Extended Due for Payment Date	13 November 2024
Denomination	Minimum £100,000 and integral multiples of £1,000 in excess thereof
<i>Provisions relating to the interest for the period until the Final Maturity Date:</i>	
Coupon	SONIA + 60 bps until, but excluding, the Final Maturity Date
Coupon Payment Date	Quarterly on the 13 th day of February, May, August and November from, and including, the 13 th February 2019 to, and including, the Final Maturity Date
Relevant Screen Page:	Reuters Screen SONIA
Interest Determination Date	Fifth London Banking Day prior to the end of each Interest Period
Business Day Convention	Modified Following
Day Count Fraction	Actual/365 (Fixed)
<i>Provisions relating to the interest for the period from the Final Maturity Date to the Extended Due for Payment Date:</i>	
Coupon	SONIA + 60 bps from, and including, the Final Maturity Date to, but excluding, the Extended Due for Payment Date
Coupon Payment Date	Monthly on the 13 th day of each month from, but excluding, the Final Maturity Date to, and including, the earlier of (i) the date on which the Covered Bonds are redeemed in full; and (ii) the Extended Due for Payment Date

Relevant Screen Page:	Reuters Screen SONIA
Interest Determination Date	Fifth London Banking Day prior to the end of each Interest Period
Business Day Convention	Modified Following
Day Count Fraction	Actual/365 (Fixed)
Pricing Terms	
Re-offer Price	100.000%
Dealer's commission	20 cents
All-in Price	99.800%
Net Proceeds	£ 499,000,000
Redemption	100.00%
Other Provisions	
Business Day Centre	London
ISIN	XS1908278440
Common Code	190827844
Listing	London
Governing Law	English Law
Stabilisation	FCA/ ICMA
Delivery	Euroclear, Clearstream
Billing & Delivery	Lloyds Bank Corporate Markets
Documentation	Issued off the €7bn Global Covered Bond Programme Base Prospectus of the Issuer dated 11 September 2018 and supplemented on 18 October 2018
Form of Covered Bond	Reg S, Bearer
Security Format	New Global Note (NGN) form
Expenses	To be borne by the Issuer

ANNEX : SONIA Calculation

(P110-112 of the Coventry Building Society €7bn Global Covered Bond Programme Base Prospectus dated 11 September 2018)

SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the applicable Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin.

Compounded Daily SONIA means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-5\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of London Banking Days in the relevant Interest Period;

i is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day;

Observation Period means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

the **SONIA reference rate**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

SONIA_{i-5LBD} means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day "i".

If, in respect of any London Banking Day in the relevant Observation Period, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA_i for the purpose of the relevant Series of Covered Bonds for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Covered Bonds for the first Interest Period had the Covered Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains outstanding, be that determined on such date.

Unless otherwise stated in the Final Terms the Minimum Rate of Interest shall be deemed to be zero.

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