

DEED OF IRREVOCABLE UNDERTAKING

From: Vieco Investments Limited ("**Vieco**")
Craigmuir Chambers
Road Town
Tortola
VG1110
British Virgin Islands

To: Nationwide Building Society (the "**Offeror**")
Nationwide House
Pipers Way
Swindon
SN38 1NW

21 March 2024

Offer for Virgin Money UK PLC (the "Company")

We, the undersigned, understand that the Offeror is considering the Acquisition on the terms and conditions set out or referred to in the draft announcement annexed hereto (the "**Announcement**"), to be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the "**Code**"), subject to such other terms and conditions as may be required by the Code and/or the requirements of the Financial Conduct Authority (the "**FCA**") and/or the London Stock Exchange plc (the "**London Stock Exchange**") or any other relevant securities exchange and/or as are customarily included in offers made under the Code and/or as may be agreed between the Offeror and the Company. We understand that the offer price for the Acquisition will be not less than 220 pence for each issued or to be issued ordinary share in the Company, comprising cash consideration of 218 pence per share and a dividend of 2 pence per share (the "**Offer Price**").

All references in this undertaking to the "**Acquisition**" shall:

- (i) mean the proposed acquisition by or on behalf of the Offeror or any of its subsidiaries of the shares in the Company, which acquisition may be by way of takeover offer (within the meaning of section 974 of the Companies Act 2006) (referred to in this undertaking as the "**Offer**") or a scheme of arrangement (under Part 26 of the Companies Act 2006) (referred to in this undertaking as the "**Scheme**") and, if made by or on behalf of a subsidiary, all references to the "**Offeror**" shall be deemed to include that subsidiary; and
- (ii) include any revision or variation in the terms of any acquisition as referred to in paragraph (i) above which represents no diminution in the value, and no weakening of the deliverability, of the Offer or Scheme (as the case may be).

1. Condition of undertaking

The terms of this undertaking are conditional on you releasing the Announcement (or the Announcement with any changes that could not reasonably be considered material or adverse by us or any of our affiliates) by not later than 5.00 p.m. (London time) on 21 March 2024 or such later date as the Company and the Offeror may agree.

2. Warranties and undertakings

We irrevocably and unconditionally (save for the condition set out in paragraph 1 above) undertake, represent and warrant to the Offeror that:

- (i) we are the beneficial owner of (or are otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of), and/or are the registered holder of, the number of ordinary shares of 10p each in the capital of the Company set out in the first column of the table set out in the Appendix to this undertaking (including, for the avoidance of doubt, by way of the holding of CHESS depositary interests each representing one ordinary share of 10p in the capital of the Company) (the “**Shares**”, which expression shall include any other shares in the Company (or interests representing such shares) issued after the date hereof and attributable to or derived from such shares and/or interests);
- (ii) we are not interested in, or otherwise able to control the exercise of rights attributable to, any shares or other securities of the Company (or interests in such shares or other securities) other than those of which details are set out in the table below;
- (iii) we are able to transfer, or procure the transfer of, the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature;
- (iv) we shall not, and, if we are not the registered holder of some or all of the Shares, shall procure that any person holding the Shares shall not, prior to the earlier of the Acquisition becoming Effective (as defined in the Announcement) or lapsing:
 - (a) other than pursuant to the Acquisition sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of such Shares or interest in such Shares, or accept any other offer in respect of all or any of such Shares (in each case, whether conditionally or unconditionally);
 - (b) without the consent of the Offeror (such consent not to be unreasonably withheld or delayed), convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company;
 - (c) save for the Shares, acquire any shares or other securities of the Company (or any interest therein) unless the Panel on Takeovers and Mergers (the “**Panel**”) determines, and confirms to you, that: (i) in respect of such acquisition, we are not acting in concert with you under Note 9 in

the definition of “acting in concert” set out in the Code; and (ii) such acquisition would not result in you or any person acting in concert with you being required to make a mandatory offer for the Company under Rule 9 of the Code, and provided that, if any such shares, securities or interest are acquired by us, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression “**Shares**” for the purposes of this undertaking and we shall notify the Offeror promptly of any such acquisition and of any other dealing, disposal or change in the number of Shares;

- (d) make any submission, argument or representation to achieve, or otherwise seek, any ruling or determination from the Court (as defined in the Announcement) at the Scheme Convening Hearing (as defined in the Announcement) or at any other hearing of the Court (as defined in the Announcement) with the effect that Vieco would not be able to vote as part of a single class comprising all Virgin Money Shareholders (as defined in the Announcement) at the Court Meeting (as defined below); or
- (e) other than pursuant to the Acquisition enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise on our part:
 - (I) in relation to, or operating by reference to, shares of the Company or any interest therein; or
 - (II) to do all or any of the acts referred to in paragraphs (a) to (d) (inclusive) above,

which would reasonably be expected to restrict or impede the Acquisition becoming Effective (as defined in the Announcement) or otherwise preclude us from complying with our obligations as set out in this undertaking,

and references in this paragraph (iv) to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any conditions or which is to take effect upon or following the Acquisition becoming Effective (as defined in the Announcement) or lapsing or upon or following this undertaking ceasing to be binding or upon or following any other event;

- (v) we shall not solicit any person other than the Offeror to make any offer for the Company;
- (vi) we have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into and perform our obligations under this undertaking in accordance with their terms; and
- (vii) we hereby undertake to provide you with reasonable assistance in connection with any approach which is made by you to the Panel for the purposes of

establishing that you are not acting in concert with us in connection with the Acquisition under Note 9 on the definition of “acting in concert” set out in the Code.

3. Scheme

We irrevocably and unconditionally (save for the condition set out in paragraph 1 above) undertake, if the Acquisition is implemented by way of the Scheme, to the Offeror that:

- (i) we have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any general meeting of the Company (including any adjournment thereof) ("**General Meeting**") or at any meeting of holders of shares in the Company convened by a Court (including any adjournment thereof) ("**Court Meeting**") which, in each case, is necessary to implement the Acquisition (which shall include any resolution to approve the Scheme) in favour of any such resolution (or otherwise only in accordance with the Offeror's instructions), except in relation to any resolution in respect of a transaction or arrangement involving Vieco or any of its parent undertakings or subsidiary undertakings proposed pursuant to Rule 16 of the Code;
- (ii) we have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any General Meeting or at any Court Meeting which:
 - (a) would reasonably be expected to have any adverse impact on the fulfilment of any condition to the Acquisition;
 - (b) would reasonably be expected to impede, delay or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party); or
 - (c) would otherwise reasonably be expected to impact on the success of the Acquisition,
 in each case, only in accordance with the Offeror's instructions;
- (iii) we shall exercise, or, where applicable, procure the exercise of, all rights attaching to the Shares to requisition or join in the requisitioning of any general meeting of the Company for the purposes of voting on any resolution referred to under paragraph (i) or (ii) above, or to require the Company to give notice of any such meeting, only in accordance with the Offeror's instructions;
- (iv) we shall after the posting of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (the "**Scheme Document**") (and without prejudice to any right we have to attend and vote in person at the Court Meeting and the General Meeting to implement the Acquisition), return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in

favour of the resolutions to implement the Acquisition except in relation to any resolution in respect of a transaction or arrangement involving Vieco or any of its parent undertakings or subsidiary undertakings proposed pursuant to Rule 16 of the Code) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any action which may be required by the Company or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the resolutions to implement the Acquisition except in relation to any resolution in respect of a transaction or arrangement involving Vieco or any of its parent undertakings or subsidiary undertakings proposed pursuant to Rule 16 of the Code), in each case by 1.00 p.m. on the seventh business day after the Company posts the Scheme Document to its shareholders; and

- (v) subject to paragraph 6(iii), we shall not amend, revoke or withdraw any such proxy once it has been returned in accordance with paragraph (iv) above; and
- (vi) we shall, on reasonable notice, supply you with all information about us or our interests in Shares at our disposal reasonably required by you in connection with the implementation of the Scheme in order for you to comply with the Code and the rules and requirements of the FCA, the London Stock Exchange, the Panel, the Companies Act 2006 and any legal or regulatory requirements and promptly notify you in writing of any material change in the accuracy or import of any information previously supplied to you by us (noting that certain information with respect to commercial data may require anonymisation and/or aggregation and, in certain cases, may need to be provided to your external advisers only, on a confidential basis).

4. Offer

We irrevocably and unconditionally (save for the condition set out in paragraph 1 above) undertake, if the Acquisition is implemented by way of the Offer, to the Offeror that:

- (i) upon the Offer being made, we will be able to accept or, where applicable, procure the acceptance of the Offer in respect of the Shares and to transfer, or procure the transfer of, the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid (subject to the terms of the Acquisition);
- (ii) we shall as soon as possible and in any event within seven business days after the posting of the formal document containing the Offer (the “**Offer Document**”) (or, in respect of any shares allotted to us after the posting of the Offer Document, as soon as possible and in any event within seven business days of such allotment or acquisition) duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Shares and shall take any action which may be required by the Offeror or its nominated representative to facilitate the valid acceptance of the Offer in respect of the Shares;

- (iii) subject to paragraph 6(iii), notwithstanding that the terms of the Offer Document will confer rights of withdrawal on accepting shareholders, we shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised; and
- (iv) we shall, on reasonable notice, promptly supply you with all information about us or our interests in Shares at our disposal reasonably required by you in connection with the Offer in order for you to comply with the Code and the rules and requirements of the FCA, the London Stock Exchange, the Panel, the Companies Act 2006 and any legal or regulatory requirements and promptly notify you in writing of any material change in the accuracy or import of any information previously supplied to you by us (noting that certain information with respect to commercial data may require anonymisation and/or aggregation and, in certain cases, may need to be provided to your external advisers only, on a confidential basis).

5. Publicity

We acknowledge and consent to:

- (i) the Announcement of the Acquisition containing references to us and the registered holder(s) of any of the Shares in which we have (or will have as the case may be) a beneficial interest and to this undertaking in the terms set out in the Announcement;
- (ii) the inclusion of particulars of this undertaking being set out in the Scheme Document and any Offer Document (if applicable) and any other announcement made, or document issued, by or on behalf of the Offeror in connection with the Acquisition; and
- (iii) this undertaking being published on a website as required by Rule 26.2 of the Code.

6. Miscellaneous

- (i) This undertaking shall not oblige the Offeror to announce or proceed with the Acquisition.
- (ii) This undertaking shall immediately cease to have any effect and will automatically terminate:
 - (a) if the Offeror shall not have released the Announcement by 5.00 p.m. on the date of this undertaking (or such later date as the Company and the Offeror may agree);
 - (b) if the Scheme Document or Offer Document (as the case may be) has not been posted on or before 30 April 2024 (or within such longer period as the Offeror and (only in relation to the Scheme Document) the

Company, with the consent of the Panel, agree), provided that if the Acquisition was initially being implemented by way of a Scheme, and the Offeror elects to exercise its right to implement the Acquisition by way of an Offer or vice versa, the time period in this paragraph (b) shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);

- (c) on the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, provided that this paragraph (c) shall not apply by virtue of the Acquisition being withdrawn or lapsing as a result of the Offeror exercising its right, in accordance with the Code, to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa;
- (d) if the Scheme or the Offer (as applicable) has not, in accordance with the requirements of the Code, become Effective (as defined in the Announcement) on or before the Long Stop Date (as defined in the Announcement, including as such Long Stop Date may be extended as set out in the Announcement), provided that the Scheme or Offer (as applicable) shall not be treated as having failed to become Effective (as defined in the Announcement) as a result of the Offeror exercising its right, in accordance with the Code, to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa;
- (e) if the Offeror announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by the Offeror in accordance with Rule 2.7 of the Code at the same time;
- (f) if: (i) a third party announces a firm intention to make an offer for the Company under Rule 2.7 of the Code (a “**Competing 2.7 Announcement**”) (whether by way of a takeover offer or a scheme of arrangement) (a “**Competing Offer**”), which represents an improvement of at least 7.5 per cent. on the Offer Price (and, where the consideration under the Acquisition or such Competing Offer includes shares or other securities, in forming such opinion the value of such shares or other securities shall be the average of the closing prices of such securities for the five trading days immediately prior to the announcement of the Competing 2.7 Announcement as derived from the London Stock Exchange Daily Official List or, if the share or security is principally dealt in on some other stock exchange or market, the recognised method of publication of prices for that other exchange or market (and, if applicable, using a currency exchange rate that we shall determine, acting reasonably) and any other non-cash consideration shall be valued based on our good faith assessment, acting reasonably, of the relevant consideration at the date of Competing 2.7 Announcement); and (ii) following such Competing 2.7 Announcement, the Company announces

that the Company's board of directors withdraws, qualifies or adversely modifies its recommendation of the Acquisition; or

- (g) upon any Competing Offer for the Company becoming or being declared unconditional in all respects or otherwise becoming effective.
- (iii) If this undertaking terminates pursuant to paragraph 6(ii), we shall be entitled to withdraw any form(s) of acceptance or proxy (as the case may be) submitted in connection with the Acquisition or otherwise pursuant to this undertaking in accordance with their terms.
- (iv) On the termination of this undertaking, we shall have no claim against the Offeror and the Offeror shall have no claim against me, save in respect of any prior breach thereof.
- (v) This undertaking shall be governed by and construed in accordance with English law. Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in connection with this undertaking is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.
- (vi) We intend this document to be a deed and execute and deliver it as a deed.

APPENDIX**Shares to which this undertaking relates**

1	2	3
Number of Shares	Registered holder(s)*	Beneficial owner(s)*
768,823	Vieco Investments Limited Craigmuir Chambers Road Town Tortola VG1110 British Virgin Islands	<u>Vieco Investments Limited</u>

**Where more than one, indicate number of shares / depositary interests attributable to each; note that the term "registered holder" (or equivalent language) in this undertaking shall disregard the legal title held by any nominee pursuant to the Company's arrangements with its registrar to facilitate dematerialisation of the Company's shares*

IN WITNESS whereof this undertaking has been executed and delivered as a deed on the date above mentioned.

Executed and delivered as a deed by)

Vieco Investments Limited)

acting by its duly authorised alternate)
director, KEARY CARZIOLA

who, in accordance with the laws of the
jurisdiction of its formation, is acting
under the authority Vieco Investments
Limited



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

21 March 2024

**RECOMMENDED CASH ACQUISITION
OF
VIRGIN MONEY UK PLC
BY
NATIONWIDE BUILDING SOCIETY**

Summary and highlights

- The boards of directors of Nationwide Building Society (“**Nationwide**”) and Virgin Money UK PLC (“**Virgin Money**”) are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of Virgin Money by Nationwide (the “**Acquisition**”).
- Under the terms of the Acquisition, each Virgin Money Shareholder will be entitled to receive:

for each Virgin Money Share: 220 pence in cash

comprising:

- 218 pence per Virgin Money Share in cash consideration (the “**Consideration**”); and
 - a proposed dividend of 2 pence per Virgin Money Share (the “**FY2024 Dividend**”), to be paid (subject to the approval of the Virgin Money Board) as part of Virgin Money’s ordinary course FY2024 dividend calendar or, if earlier, shortly prior to Completion.
- The total value of 220 pence per Virgin Money Share values the entire issued and to be issued share capital of Virgin Money at approximately £2.9 billion on a fully diluted basis and represents a premium of approximately:
 - 38 per cent. to the Closing Price of 159.1 pence per Virgin Money Share on 6 March 2024 (being the last Business Day before the commencement of the Offer Period); and
 - 40 per cent. to the volume-weighted average Closing Price of 157.5 pence per Virgin Money Share for the three-month period ended 6 March 2024.

Acquisition Overview

- The Boards of Nationwide and Virgin Money believe that the Acquisition will combine two complementary businesses, creating the second largest provider of mortgages and savings in the UK.
- Nationwide has grown over time through a series of historical acquisitions to become the UK's largest building society. Nationwide remains wholly committed to being a building society and a modern mutual that meets its customers' and members' banking needs to a high standard.
- The Nationwide Board believes that the Acquisition will enable Nationwide to accelerate its strategy and broaden and deepen its products and services faster than could be achieved organically, whilst providing a return that will further support Nationwide's financial strength and deliver greater value to its customers and members.
- The Nationwide Board believes that the Acquisition will create a combined group with enhanced financial strength, including through access to greater diversity of funding, notably from business deposits, and the opportunity to generate improved returns. Nationwide expects to be able to capitalise on this financial strength to support the continued provision of its 'Fairer Share Payment' to eligible Nationwide members and member financial benefits via mortgage and savings rates that are, on average, better than the market average, along with other incentives.

Arrangements with Virgin Enterprises and Virgin Red

- Virgin Money licenses certain rights to use the "Virgin Money" brand from Virgin Enterprises pursuant to a brand licence agreement (the "**TMLA**"). Nationwide recognises the significant role that the "Virgin Money" brand has played in the development of Virgin Money over time. However, as part of its longer-term integration strategy, Nationwide intends for the Virgin Money business to re-brand over time.
- Accordingly, prior to the date of this announcement, Nationwide and Virgin Enterprises entered into the TMLA Amendment Agreement pursuant to which they agreed that, amongst other things, the TMLA would be terminated automatically on the fourth anniversary of Completion, following which the Virgin Money business will have a two-year period to re-brand.
- In addition, Nationwide has entered into the Virgin Red Exclusivity Agreement with Virgin Red pursuant to which the parties have agreed to engage in discussions for a six-month period following Completion with respect to a potential partnership relating to the expansion of the "Virgin Red" loyalty programme to customers of the Combined Group. However, there can be no certainty at this stage that any definitive agreement relating to such a partnership will be entered into following Completion nor as to the terms of any such agreement. Certain exclusivity commitments from each party would apply from the date of the Virgin Red Exclusivity Agreement until the end of the discussion period noted above.
- Further details regarding the TMLA (as it will be amended pursuant to the TMLA Amendment Agreement) and the Virgin Red Exclusivity Agreement are set out in paragraph 4 of this announcement.

- The amendment of the TMLA pursuant to the TMLA Amendment Agreement and the Virgin Red Exclusivity Agreement must be approved by an ordinary resolution of the Independent Virgin Money Shareholders (which requires more than 50 per cent. of the votes cast by Independent Virgin Money Shareholders on a poll to be cast in favour) for the purposes of Note 2 on Rule 16.1 of the Takeover Code (the “**Virgin Resolution**”). Virgin Group and Vieco Investments (an entity controlled by Sir Richard Branson), both of which hold Virgin Money Shares, will not be able to vote on the Virgin Resolution.

Recommendation

- The Virgin Money Directors, who have been so advised by Goldman Sachs International and J.P. Morgan Cazenove as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Virgin Money Directors, Goldman Sachs International and J.P. Morgan Cazenove have taken into account the commercial assessments of the Virgin Money Directors. Accordingly, the Virgin Money Directors intend to recommend unanimously that Virgin Money Shareholders vote in favour of the Scheme and the Acquisition Resolution(s) as the Virgin Money Directors who are interested in Virgin Money Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of 1,945,304 Virgin Money Shares representing, in aggregate, approximately 0.2 per cent. of Virgin Money’s total issued share capital.
- The Independent Virgin Money Directors also intend to recommend unanimously that the Independent Virgin Money Shareholders vote in favour of the Virgin Resolution as the Independent Virgin Money Directors who are interested in Virgin Money Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of 1,920,304 Virgin Money Shares representing, in aggregate, approximately 0.1 per cent. of Virgin Money’s total issued share capital. The terms of the TMLA Amendment Agreement and the Virgin Red Exclusivity Agreement are considered by Goldman Sachs International and J.P. Morgan Cazenove to be fair and reasonable. In forming this view, Goldman Sachs International and J.P. Morgan Cazenove have taken into account the commercial assessments of the Independent Virgin Money Directors.
- Sara Weller, the Virgin Money Director who is appointed to the Virgin Money Board as a representative of Virgin Enterprises, has not been involved in Virgin Money Board discussions relating to aspects of the Acquisition specifically concerning the TMLA, the “Virgin Money” brand, the Virgin Red Exclusivity Agreement or the Independent Virgin Money Directors’ recommendation in respect of the Virgin Resolution. The passing of the Virgin Resolution is a non-waivable condition to the Acquisition and, if not passed, the Acquisition will lapse and will not proceed to Completion.

Irrevocable undertakings

- Nationwide has received from Virgin Group and Vieco Investments irrevocable undertakings to vote in favour of the Scheme and the Acquisition Resolution(s) in respect of 188,852,373 Virgin Money Shares in aggregate, representing approximately 14.6 per cent. of Virgin Money’s total issued share capital.
- Accordingly, taking together the irrevocable undertakings received from the Virgin Money Directors, Virgin Group and Vieco Investments, Nationwide has received irrevocable undertakings to vote in favour of the Scheme and the Acquisition Resolution(s) in respect of

a total of 190,797,677 Virgin Money Shares, representing, in aggregate, approximately 14.7 per cent. of the total issued share capital of Virgin Money.

- Under the terms of all the irrevocable undertakings received by Nationwide, if the Acquisition is implemented by way of a Takeover Offer, the relevant shareholders have also committed to accept the Takeover Offer. Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

General

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Nationwide reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).
- The Acquisition will be subject to the Conditions and terms set out in Appendix 1 to this announcement, including, amongst other things, approvals by the requisite majorities of Virgin Money Shareholders of the Scheme and the Resolutions at the Court Meeting and General Meeting respectively, the receipt of regulatory approvals from the PRA, the FCA and the CMA, and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document. The Acquisition will not be subject to any condition relating to the passing of a resolution by Nationwide's members.
- In this announcement, unless the context requires otherwise, references to Virgin Money Shares include Virgin Money CDIs, references to Virgin Money Shareholders include Virgin Money CDI Holders and references to Virgin Money Shareholders voting in respect of the Scheme or the Resolutions or accepting a Takeover Offer shall include Virgin Money CDI Holders procuring the same.
- Virgin Money Shareholders will be able to elect to receive their Consideration in Australian dollars or New Zealand dollars instead of pound sterling (based on the prevailing exchange rates at a date to be determined), further details regarding which will be set out in the Scheme Document.
- The Scheme Document containing further information about the Acquisition, an expected timetable of principal events, steps to be taken by Virgin Money Ordinary Shareholders and Virgin Money CDI Holders, and the notices of the Meetings, together with the accompanying Forms of Proxy (for Virgin Money Ordinary Shareholders) and CDI Voting Instruction Forms (for Virgin Money CDI Holders) will be published in due course. A short extension to the customary 28-day period for publication of the Scheme Document has been requested of, and consented to by, the Panel having regard to, amongst other things, the availability of appropriate Court dates given the impact of the Court's Easter vacation. Accordingly, it is expected that the Scheme Document will be published no later than 30 April 2024.
- Prior to the publication of the Scheme Document, Virgin Money will seek the necessary permission from the Court to convene the Court Meeting. A hearing of the Court before a High Court judge (the "**Scheme Convening Hearing**") has been scheduled for 19 April 2024 for this purpose. At the Scheme Convening Hearing, amongst other things, Virgin Money will determine with the Court whether, for the purposes of voting at the Court Meeting, all Virgin Money Shareholders, including Virgin Group and Vieco Investments, can vote together as

one class. The Court will consider whether the legal rights of Virgin Group and Vieco Investments, in the light of the arrangements with Virgin Enterprises and Virgin Red described above (and as further set out in paragraph 4 below) are sufficiently similar to the legal rights of the other Virgin Money Shareholders, or whether a difference in legal rights makes it more appropriate for Virgin Group and Vieco Investments to be distinguished as a separate class of shareholders. Virgin Money and Nationwide consider that all Virgin Money Shareholders should vote in a single class of shareholders. The Scheme Convening Hearing is expected to take place at the Companies Court, The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, United Kingdom, and the time of the hearing will be set out on HM Courts & Tribunals Service's website at www.justice.gov.uk/courts/court-lists. Virgin Money Shareholders have the right to attend in person or through counsel and make representations at the Scheme Convening Hearing.

- The Acquisition is expected to become Effective during Q4 2024, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1.

Chairman of Nationwide Building Society, Kevin Parry commented:

“Following full consideration and the appropriate due diligence, and after taking comments from members into account, the Board of Nationwide’s assessment is that the binding offer to acquire Virgin Money is in the best interests of the Society and its present and future members.”

Chief Executive Officer of Nationwide Building Society, Debbie Crosbie commented:

“This acquisition strengthens Nationwide and means we can offer more value and broader services for our current and future members. More people will experience the benefits of mutual ownership and the customer-focused approach of a building society. This includes Nationwide’s unique Branch Promise, which we are extending until at least the start of 2028. The Promise will also apply to Virgin Money branches.”

Chairman of Virgin Money UK PLC, David Bennett commented:

“The Board of Virgin Money believes that this strategic transaction recognises the strengths and opportunities in our business. We’re pleased to recommend the terms agreed with Nationwide, which deliver an attractive premium for our shareholders in cash and reflect the Group’s strong future prospects, combining two complementary businesses.”

Chief Executive Officer of Virgin Money UK PLC, David Duffy commented:

“The proposed combination with Nationwide presents an exciting opportunity to build on Virgin Money’s significant strategic and operational progress, including the consistent growth in our retail and business customers, deposits and target lending. Together the combined group can offer more great products and services to a larger customer base.”

This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices. The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable

undertakings received by Nationwide in connection with the Acquisition are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.

Enquiries:

Nationwide Building Society

Muir Mathieson, Deputy CFO and Treasurer

Sarah Abercrombie, Head of Investor Relations, Credit Ratings and Treasury Sustainability

Media enquiries:

Nationwide-UK@fgsglobal.com

Investor enquiries:

Nationwide.treasury@Nationwide.co.uk

UBS (financial adviser to Nationwide)

+44 (0)20 7567 8000

Sam Small

Ben Crystal

David Sissons

FGS Global (public relations adviser to Nationwide)

+44 (0)20 7251 3801

James Murgatroyd

Charlie Chichester

Richard Webster-Smith

Sophia Johnston

Virgin Money UK PLC

Investors and Analysts

Richard Smith

+44 (0)7483 399303

Head of Investor Relations & Sustainability

richard.smith@virginmoney.com

Company Secretary

Lorna McMillan

+44 (0)7834 585436

Group Company Secretary

lorna.mcmillan@virginmoney.com

Media Relations

+44 (0)800 066 5998

Press Office

press.office@virginmoney.com

Goldman Sachs International (joint Rule 3 independent financial adviser and joint corporate broker to Virgin Money)

+44 (0)20 7774 1000

Anthony Gutman

Nimesh Khiroya

Ronan Breen

Bertie Whitehead

Pernille Thuesen

+44 (0)20 3493 8000

J.P. Morgan Cazenove (joint Rule 3 independent financial adviser and joint corporate broker to Virgin Money)

Conor Hillery
Dwayne Lysaght
Claire Brooksby
Ravin Mehta

+44 (0)7753 136628
+61 406 918080

Teneo (public relations adviser to Virgin Money)

Douglas Campbell (UK)
Julia Henkel (Australia)

Slaughter and May is acting as legal adviser to Nationwide in connection with the Acquisition.

Clifford Chance LLP is acting as legal adviser to Virgin Money in connection with the Acquisition.

Inside Information

This announcement contains inside information as stipulated under the Market Abuse Regulation no 596/2014 (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form any part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Virgin Money in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).

Virgin Money and Nationwide will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to Virgin Money Shareholders. Virgin Money and Nationwide urge Virgin Money Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.

Disclaimers

This announcement does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

UBS AG London Branch (“UBS”) is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting exclusively for Nationwide and no one else in connection with the Acquisition. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.

Goldman Sachs International (“GSI”), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting for Virgin Money and no one else in connection with the distribution of this document and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of GSI, or for giving advice in connection with the Acquisition or any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as joint financial adviser exclusively for Virgin Money and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

Overseas jurisdictions

This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code, the Market Abuse Regulation and the Listing Rules, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom or Australia may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Australia should inform themselves about, and observe any applicable requirements.

The availability of the Acquisition to Virgin Money Shareholders who are not resident in and citizens of the United Kingdom or resident in Australia may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizen. Persons who are not resident in the United Kingdom or Australia should inform themselves of, and observe any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom or Australia to vote their Virgin Money Shares or to execute and deliver CDI Voting Instruction Forms in respect of Virgin Money CDIs (as applicable) with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy

instructions) appointing another to vote at the Meetings on their behalf or CDI Voting Instruction Forms (or other voting instructions) issuing voting instructions in relation to the Meetings, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Unless otherwise determined by Nationwide or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange (including pursuant to the Listing Rules) and the Registrar of Companies.

Notice to US investors in Virgin Money

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved, disapproved or passed judgement on the fairness or the merits of any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence in the United States.

If, in the future, Nationwide exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation

14E thereunder. Such a takeover would be made in the United States by Nationwide and no one else.

Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

The receipt of cash pursuant to the Acquisition by a Virgin Money Shareholder in the US as consideration for the transfer of its Scheme Shares (or, in relation to a Virgin Money CDI Holder, the Scheme Shares underlying its Virgin Money CDIs) pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Virgin Money Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.

It may be difficult for Virgin Money Shareholders in the US to enforce their rights and any claim arising out of the US federal laws in connection with the Acquisition, since Nationwide and Virgin Money are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. Virgin Money Shareholders in the US may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, Nationwide, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Virgin Money Shares and/or Virgin Money CDIs outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of UBS, GSI and J.P. Morgan Cazenove will continue to act as an exempt principal trader in Virgin Money Shares and Virgin Money CDIs on the London Stock Exchange and the ASX, respectively. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Cautionary Note Regarding Forward-Looking Statements

This announcement (including information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by Nationwide and/or Virgin Money, contain statements which are, or may be deemed to be, “forward-looking

statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of Nationwide and/or Virgin Money about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Virgin Money and certain plans and objectives of Nationwide with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Virgin Money and/or Nationwide in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although Nationwide and/or Virgin Money believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Nationwide nor Virgin Money assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to proceed with or complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future inflation, deflation, exchange and interest rates; changes in tax and national insurance rates; future business combinations, capital expenditures, acquisitions or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Nationwide and Virgin Money operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Nationwide and Virgin Money operate; the repercussions of the outbreak of epidemics (including but not limited to the COVID-19 outbreak); changes to the Boards of Nationwide and/or Virgin Money and/or the composition of their respective workforces; exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities; risks relating to environmental matters such as climate change including Nationwide and/or Virgin Money's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory and governmental bodies; changes in the liquidity, capital, funding and/or asset position and/or credit ratings of Nationwide and/or Virgin Money; the repercussions of the UK's exit from the EU (including any change to the

UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, conflicts in the Middle East, any referendum on Scottish independence, and any UK or global cost of living crisis or recession. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Nationwide nor Virgin Money, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations, neither Nationwide nor Virgin Money is under any obligation, and Nationwide and Virgin Money expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nationwide's website at www.nationwide.co.uk/virgin-money/ and Virgin Money's website at www.virginmoneyukplc.com/investor-relations/announcements/ by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or forms part of this announcement.

No profit forecasts, profit estimates or quantified benefits statements

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Virgin Money for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Virgin Money.

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, Virgin Money Shareholders, persons with information rights and participants in the Virgin Money Share Plans may request a hard copy of this announcement by contacting Virgin Money's registrars, Computershare. Virgin Money Ordinary Shareholders can: (i) submit a request in writing to Computershare Investor Services UK PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZZ, United Kingdom; or (ii) call +44 (0)370 707 1172. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Virgin Money CDI Holders can: (i) submit a request in writing to Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067, Australia; or (ii) call 1800 764 308 (or +61 3 9415 4142 if calling from outside of Australia). Calls are charged at the standard geographical rate and will vary by provider. Calls outside

Australia will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 7.00 p.m. (AEST), Monday to Friday (excluding public holidays in Australia). Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Virgin Money Shareholders, persons with information rights and other relevant persons for the receipt of communications from Virgin Money may be provided to Nationwide during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

General

Nationwide reserves the right to elect, with the consent of the Panel (where necessary), and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Virgin Money not already held by Nationwide as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of Takeover Offer, and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Nationwide intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Virgin Money Shares in respect of which the Takeover Offer has not been accepted.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

21 March 2024

**RECOMMENDED CASH ACQUISITION
OF
VIRGIN MONEY UK PLC
BY
NATIONWIDE BUILDING SOCIETY**

**to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act
2006**

1. Introduction

The Nationwide Board and Virgin Money Board are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of Virgin Money by Nationwide.

2. The Acquisition

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The purpose of the Scheme is to enable Nationwide to acquire the whole of the issued and to be issued share capital of Virgin Money.

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Scheme Document, Virgin Money Shareholders will be entitled to receive:

for each Virgin Money Share: 220 pence in cash

comprising:

- 218 pence per Virgin Money Share in cash consideration (the “**Consideration**”); and
- a proposed dividend of 2 pence per Virgin Money Share (the “**FY2024 Dividend**”), to be paid (subject to the approval of the Virgin Money Board) as part of Virgin Money’s ordinary course FY2024 dividend calendar or, if earlier, shortly prior to Completion.

The total value of 220 pence per Virgin Money Share values the entire issued and to be issued share capital of Virgin Money at approximately £2.9 billion on a fully diluted basis and represents a premium of approximately:

- 38 per cent. to the Closing Price of 159.1 pence per Virgin Money Share on 6 March 2024 (being the last Business Day before the commencement of the Offer Period); and
- 40 per cent. to the volume-weighted average Closing Price of 157.5 pence per Virgin Money Share for the three-month period ended 6 March 2024.

In light of the expected timetable to obtain certain required regulatory approvals, the Acquisition is currently expected to become Effective during Q4 2024, subject to the satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix 1 to this announcement.

3. Background to and reasons for the Acquisition

The Boards of Nationwide and Virgin Money believe that the Acquisition will combine two complementary businesses. The Acquisition will create a combined group with total assets of approximately £366.3 billion and total lending and advances of approximately £283.5 billion, representing the second largest provider of mortgages and savings in the UK.

Nationwide has grown over time through a series of historical acquisitions to become the UK's largest building society. It remains wholly committed to being a building society and a modern mutual that meets its customers' and members' banking needs to a high standard.

The Nationwide Board believes that the Acquisition will enable Nationwide to accelerate its strategy, and broaden and deepen its products and services faster than could be achieved organically, whilst providing a return that will further support Nationwide's financial strength and deliver greater value to its customers and members. In particular:

- **Customers, Lending and Deposits:** Virgin Money is the UK's sixth largest bank by total assets, with a customer base of approximately 6.6 million and total lending of £72.8 billion, comprising a high-quality mortgage portfolio of approximately £57.1 billion and deposit portfolio of approximately £67.3 billion. The Acquisition will enable Nationwide to increase its scale in its core lending and deposit markets and strengthen Nationwide's position as one of the UK's leading providers of mortgages, savings and current accounts.
- **Credit Cards:** Virgin Money has a strong unsecured lending business, with £6.7 billion of balances, including an estimated 8.6 per cent. market share of UK credit cards, which the Nationwide Board believes will complement Nationwide's existing product offering and unsecured lending.
- **Business Banking:** The Nationwide Board believes that Virgin Money's £9.0 billion of existing business lending balances and 'Business Current Account' will enable Nationwide to build on its existing business savings proposition, with a broader business banking offering to support Nationwide's growth and diversify its sources of funding.

The Nationwide Board believes that the Acquisition of Virgin Money represents a compelling opportunity to deploy capital for the benefit of its current and future members, and that Virgin Money's purpose and principles are well aligned with those of Nationwide.

The Acquisition is expected to create a combined group with enhanced financial strength, including through access to greater diversity of funding, notably from business deposits, and the opportunity to generate improved returns. Nationwide expects to be able to capitalise on this financial strength to support the continued provision of its 'Fairer Share Payment' to eligible Nationwide members, and member financial benefits via mortgage and savings rates that are, on average, better than the market average, along with other incentives.

4. Arrangements with Virgin Enterprises, Virgin Red, Virgin Group and Vieco Investments

TMLA Amendment Agreement

Virgin Money licenses certain rights to use the "Virgin Money" brand from Virgin Enterprises pursuant to the TMLA. Nationwide recognises the significant role that the "Virgin Money" brand has played in the development of Virgin Money over time. However, as part of its longer-term integration strategy, Nationwide intends for the Virgin Money business to re-brand over time.

Accordingly, prior to the date of this announcement, Nationwide and Virgin Enterprises entered into the TMLA Amendment Agreement pursuant to which they agreed to procure that the TMLA is amended shortly following Completion. The amendment will be deemed to take effect from Completion.

The key terms of the TMLA (as it will be amended pursuant to the TMLA Amendment Agreement) include:

- **Termination:** In substitution for the termination right that Virgin Money would have been entitled to exercise under the terms of the existing TMLA within 60 days of Completion, the TMLA will terminate automatically on the fourth anniversary of Completion, following which the Virgin Money business will have a two-year period to re-brand (the "**Cessation Period**").
- **Exit fee:** In substitution for the exit fee arrangements under the existing TMLA, an exit fee of £250 million will be payable by Virgin Money to Virgin Enterprises in two tranches: £125 million will be payable within 12 Business Days of Completion, with a second instalment of £125 million payable no later than the first anniversary of Completion.
- **Royalties:** Virgin Money will continue to pay royalties to Virgin Enterprises at the current rate until the start of the first calendar quarter following Completion, from which point annual royalties will be fixed at £15 million (paid quarterly). No royalties will be payable during the Cessation Period, save where the TMLA is terminated prior to the fourth anniversary of Completion. In that case, whether royalties are payable during the Cessation Period will be determined based on the circumstances of that early termination (in line with certain provisions of the existing TMLA).
- **Commitments to the Virgin Money business:** From Completion until termination of the amended TMLA, Virgin Money will assume certain obligations to promote and enhance the Virgin Money Group's business carried on under the "Virgin Money" brand by continuing to

evolve product lines and accept new customers, by enhancing the Virgin Money customer experience and by dedicating a budget of £20 million per year to the enhancement of the Virgin Money Group's business, focussing on enhancing the customer experience, improving the digital customer proposition and marketing. In addition, Virgin Money and Virgin Enterprises will form a "rebrand & migration" committee, whose members will include the CEO of Nationwide, to provide oversight over the rebranding of certain Virgin Money assets and accounts between Completion and the start of the Cessation Period, as well as their migration to other Combined Group entities as part of any post-Completion reorganisation. Plans for pre-Cessation Period rebranding and migration activities will require approval from Virgin Enterprises (which may only be withheld if Virgin Enterprises, acting reasonably, determines that the activities could have an adverse effect on the Virgin brands (including the "Virgin Money" brand), the reputation of Virgin Enterprises and its group or the customer experience for any of their customers).

- **Financial services flexibility for Virgin Red:** From Completion, certain exclusivity provisions of the TMLA that currently operate to restrict Virgin Red's freedom to use the "Virgin Red" and "Virgin Points" brands in relation to financial services and products offered by third parties will end immediately, save that: (i) Virgin Red will not be permitted to use the "Virgin Red" or "Virgin Points" brands directly on the following core products: mortgages, savings accounts and ISAs, investment products, loans, current accounts and business banking products; (ii) if Virgin Red wishes to use the "Virgin Red" or "Virgin Points" brands directly on any financial services or products that are not the core products listed in (i) above but which require a financial services partner, the Combined Group will be given a reasonable opportunity to pitch for that role; and (iii) in using the "Virgin Red" or "Virgin Points" brands directly on any financial services or products, Virgin Red will seek to minimise customer confusion. To ensure consistency with the amendments to the TMLA described above, it has also been agreed that, from Completion, Virgin Money will not enforce any term of its co-brand agreement with Virgin Atlantic Airways Limited relating to co-branded credit cards so as to prevent: (i) any use of the "Virgin Red" or "Virgin Points" brands that is permitted under the amended TMLA; or (ii) certain arrangements that allow the conversion of loyalty points between schemes or the earning or spending of loyalty points in the purchase of goods or services.
- **Governance:** From Completion, Virgin Enterprises will cease to have a right to appoint a director to the Virgin Money Board, but will instead be entitled to appoint an observer to the Virgin Money Board until termination of the amended TMLA.

Virgin Red loyalty programme

Prior to the date of this announcement, Nationwide and Virgin Enterprises held discussions regarding a potential partnership relating to the expansion of the "Virgin Red" loyalty programme to customers of the Combined Group. Nationwide and Virgin Enterprises have not entered into any definitive agreement relating to any such partnership; however, they remain excited by the opportunity to harness the appeal of the "Virgin Red" brand in connection with a loyalty points programme for the enlarged customer base of the Combined Group and intend to resume their discussions following Completion, once Nationwide has assumed control of the Virgin Money business. For the avoidance of doubt, in light of the Scheme process and the requirements of the Takeover Code, Nationwide, Virgin Enterprises and Virgin Red are restricted in their ability to negotiate or agree definitive agreements prior to Completion.

As a result, Nationwide and Virgin Red have entered into the Virgin Red Exclusivity Agreement. The key terms of the Virgin Red Exclusivity Agreement include:

- **Exclusivity:** For the period from the date of the Virgin Red Exclusivity Agreement until the date that is six months following Completion (the “**Exclusivity Period**”), the parties will not enter into any agreement with any third party for a fee-based personal current account loyalty points programme in the UK. During the Exclusivity Period Nationwide also agrees: (i) not to itself launch any new loyalty points programme in the UK for fee-based personal current accounts; and (ii) to inform Virgin Red of any proposed cashback programme and give Virgin Red a reasonable opportunity to submit a proposal to, following Completion, partner with Nationwide with respect to such cashback programme.
- **Blackout period:** During the period from the date of the Virgin Red Exclusivity Agreement until Completion (the “**Blackout Period**”), the parties will not agree or negotiate (or seek to agree or negotiate) the commercial terms of any definitive agreement for a loyalty programme (or for any associated marketing collaboration or the supply by Virgin Red of loyalty technology or services) nor enter into any such definitive agreement.
- **Feasibility assessment:** During the Blackout Period, the parties will be permitted to discuss, and each party agrees to dedicate appropriate time and resources to the assessment of, certain matters relating to a loyalty programme for the Combined Group, including: (i) the design and development of a points-based customer rewards programme; (ii) research regarding customer sentiment towards such a programme; (iii) discussing cashback programmes where Virgin Red may provide loyalty technology and services (where available); (iv) considering and developing options for collaboration in respect of certain marketing activities; and (v) developing an understanding of the required technical systems and architecture.
- **Good faith negotiations:** During the period from Completion until the end of the Exclusivity Period, the parties will work together in good faith, and use reasonable endeavours, to agree and enter into a definitive agreement for a points-based loyalty programme relating to certain fee-based personal current accounts of the Combined Group in the UK. If the parties so agree, a definitive agreement may also include: (i) the parties collaborating in relation to certain marketing activities; (ii) opportunities for certain points-based offers or incentives for customers; and/or (iii) Virgin Red supplying certain loyalty technology or services to Nationwide.
- **Termination:** The Virgin Red Exclusivity Agreement will terminate, amongst other things: (i) if the Acquisition is withdrawn or lapses in accordance with its terms; (ii) if the parties enter into a definitive agreement with respect to a fee-based personal current account loyalty points programme in the UK; (iii) if the end of the Exclusivity Period is reached without the parties entering into any such definitive agreement; or (iv) upon notice from Nationwide, if Virgin Enterprises does not enter into the deed of amendment in respect of the TMLA (as attached to the TMLA Amendment Agreement in agreed form) on or before the 10th Business Day following Completion or otherwise materially breaches the TMLA Amendment Agreement. Virgin Red will also be entitled to terminate the Virgin Red Exclusivity Agreement at any time upon 10 Business Days’ notice to Nationwide.

At this stage, there can be no certainty that any definitive agreement relating to a relevant loyalty programme will be entered into following Completion, nor as to the terms of any such agreement.

Shareholder approval

The amendment of the TMLA pursuant to the TMLA Amendment Agreement and the Virgin Red Exclusivity Agreement must be approved by the passing of the Virgin Resolution, being an ordinary resolution of the Independent Virgin Money Shareholders (which requires more than 50 per cent. of the votes cast by Independent Virgin Money Shareholders on a poll, whether in person or by proxy, to be cast in favour) for the purposes of Note 2 on Rule 16.1 of the Takeover Code. Virgin Group and Vieco Investments (an entity controlled by Sir Richard Branson), both of which hold Virgin Money Shares, will not be able to vote on the Virgin Resolution. The passing of the Virgin Resolution is a non-waivable condition to the Acquisition and, if not passed, the Acquisition will lapse and will not proceed to Completion.

Further details regarding the TMLA (as amended pursuant to the TMLA Amendment Agreement), the Virgin Red Exclusivity Agreement and the Virgin Resolution will be set out in the Scheme Document.

Irrevocable undertakings

Nationwide has also received from Virgin Group and Vieco Investments irrevocable undertakings to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Acquisition Resolution(s) (being Resolutions other than the Virgin Resolution) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of 188,852,373 Virgin Money Shares in aggregate, representing approximately 14.6 per cent. of Virgin Money's total issued share capital.

This announcement has been made with the consent of Virgin Enterprises, Virgin Red, Virgin Group and Vieco Investments.

5. Recommendation

The Virgin Money Directors, who have been so advised by Goldman Sachs International and J.P. Morgan Cazenove as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Virgin Money Directors, Goldman Sachs International and J.P. Morgan Cazenove have taken into account the commercial assessments of the Virgin Money Directors. Goldman Sachs International and J.P. Morgan Cazenove are acting as the independent financial advisers to Virgin Money for the purposes of providing independent advice to the Virgin Money Directors on the Acquisition under Rule 3 of the Takeover Code.

Accordingly, the Virgin Money Directors intend to recommend unanimously that Virgin Money Shareholders vote in favour of the Scheme at the Court Meeting and the Acquisition Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, accept such Takeover Offer) as the Virgin Money Directors who are interested in Virgin Money Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of 1,945,304 Virgin Money Shares representing, in aggregate, approximately 0.2 per cent. of Virgin Money's total issued share capital.

The Independent Virgin Money Directors also intend to recommend unanimously that the Independent Virgin Money Shareholders vote in favour of the Virgin Resolution as the Independent Virgin Money Directors who are interested in Virgin Money Shares have irrevocably

undertaken to do in respect of their entire beneficial holdings of 1,920,304 Virgin Money Shares representing, in aggregate, approximately 0.1 per cent. of Virgin Money's total issued share capital. The terms of the TMLA Amendment Agreement and the Virgin Red Exclusivity Agreement are considered by Goldman Sachs International and J.P. Morgan Cazenove to be fair and reasonable. In forming this view, Goldman Sachs International and J.P. Morgan Cazenove have taken into account the commercial assessments of the Independent Virgin Money Directors. The passing of the Virgin Resolution forms a non-waivable condition to the Acquisition and, if not passed, the Acquisition will lapse and will not proceed to Completion.

Sara Weller, the Virgin Money Director who is appointed to the Virgin Money Board as a representative of Virgin Enterprises, has not been involved in Virgin Money Board discussions relating to aspects of the Acquisition specifically concerning the TMLA, the "Virgin Money" brand, the Virgin Red Exclusivity Agreement or the Independent Virgin Money Directors' recommendation in respect of the Virgin Resolution.

6. Background to and reasons for the recommendation

Introduction

Since the 2018 merger of CYBG PLC and Virgin Money Holdings (UK) plc to create Virgin Money, the business has pursued a purpose-led ambition to disrupt the status quo in UK banking, and, since 2021, become the UK's best digital bank. Virgin Group has supported Virgin Money throughout its evolution and remains the largest shareholder of Virgin Money.

Virgin Money's strategy for the initial period following the 2018 merger included a focus on integration, rebranding and growth in target segments, which supported a significant improvement in financial performance despite the disruption from the global pandemic. Virgin Money moved from a statutory loss before tax of £(232) million in FY2019 to a statutory profit before tax of £417 million in FY2021, which facilitated capital distributions to shareholders.

Since FY2021, Virgin Money has made progress in delivering a three-year programme of change and investment towards the ambition of becoming the UK's best digital bank, while targeting profitable growth, further cost-efficiency and capital distributions. Despite the uncertain backdrop, including significantly higher inflation and a changing interest rate environment, Virgin Money increased operating income from £1.6 billion in FY2021 to £1.9 billion in FY2023 supported by continued growth in key target segments.

Since the 2018 merger, Virgin Money became the first new tier 1 bank since the global financial crisis in 2008, requiring further investment in its capabilities. Virgin Money has also adopted additional measures to drive strong and sustainable returns, including enhancing digital capabilities, new products and propositions, and a further strengthened Executive Leadership Team. This includes announcing an approximately £130 million investment over three years in its Financial Crime Prevention Programme, offset by increasing the target for the existing three-year cost savings programme to approximately £200 million. As a result of these actions and improved income performance, Virgin Money's underlying cost:income ratio has reduced from 58 per cent. in FY2021 to 52 per cent. in FY2023.

Virgin Money's strategy is to deliver attractive and sustainable returns for shareholders, including the ambition to deliver double-digit returns in the medium term, alongside realising announced cost, growth and capital returns guidance. Virgin Money's results for the first quarter of FY2024

showed a positive start to the financial year, with results in line with guidance, and good strategic and financial momentum. The Virgin Money Board believes that delivery against this strategy has the potential to underpin attractive and sustainable returns for Virgin Money Shareholders.

Proposals for Virgin Money

In late January 2024, Nationwide approached the Virgin Money Board with a non-binding proposal to acquire Virgin Money which was rejected. Following a series of revised proposals from Nationwide, Virgin Money and Nationwide jointly announced on 7 March 2024 a potential acquisition of Virgin Money by Nationwide at a total value of 220 pence per Virgin Money Share.

The Virgin Money Directors remain confident in the prospects of the Virgin Money Group and the resulting value opportunity for all shareholders. However, the Virgin Money Directors have carefully assessed the Acquisition against a number of criteria, including:

- the value from delivery of the strategy and forecasts for Virgin Money, including in the context of the broader operating environment in UK banking;
- execution risk and upsides from delivery of the Virgin Money Group's strategy;
- an assessment of both fundamental value as well as market-based value, reflecting valuation levels for the UK banking sector as of now and over time; and
- the feasibility of delivering other strategic outcomes for Virgin Money including alternative business combinations.

The Virgin Money Directors, supported by its two independent financial advisers, unanimously intend to recommend the Acquisition to Virgin Money Shareholders. Amongst other factors, the Virgin Money Directors note:

- that the Acquisition would compensate shareholders for the fundamental value of the Virgin Money Group;
- that the Acquisition would provide an opportunity for Virgin Money Shareholders to realise the medium-term value from delivery of the standalone strategy on an accelerated basis, in cash;
- the inherent uncertainty in delivering the standalone strategy, including macro-economic risks, lower interest rate environment, a competitive banking landscape with rising regulatory expectations, and execution risks within the stated strategy;
- the premium offered of 38 per cent. to the Closing Price on 6 March 2024 (the last Business Day before the commencement of the Offer Period) and 40 per cent. to the three-month volume-weighted average price to the same date; and
- the implied multiple of 0.7x Virgin Money's tangible book value as at 31 December 2023, which represents a significant premium to Virgin Money's equivalent median multiple of 0.5x over the period from 15 October 2018 (being the completion of the merger) to 6 March 2024 (being the last Business Day before the commencement of the Offer Period). The Virgin Money Directors considered the prospects for an increase in this multiple for a listed Virgin Money Group, as well as the uncertainty of the scale and timing of any such increase.

In addition to the financial terms of the Acquisition, the Virgin Money Directors also considered its wider responsibilities to stakeholders of Virgin Money including customers, employees, regulators and shareholders.

7. Irrevocable undertakings

Taking together the irrevocable undertakings received from the Virgin Money Directors, Virgin Group and Vieco Investments, Nationwide has received irrevocable undertakings to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Acquisition Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 190,797,677 Virgin Money Shares, representing, in aggregate, approximately 14.7 per cent. of the total issued share capital of Virgin Money.

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

8. Nationwide's intentions for the Virgin Money business and the Combined Group

Strategic plans for Virgin Money

Following the Acquisition, Nationwide intends to remain a building society and a modern mutual that will be better placed than before to deliver sustainable financial benefits to its customers and members. The Nationwide Board expects the Combined Group to bring the benefits of fairer banking and mutual ownership to more people in the UK.

Nationwide will seek to integrate Virgin Money gradually, over multiple years, into the Combined Group, bringing together the best of both organisations. Nationwide will prioritise good customer outcomes and effective oversight, following the completion of comprehensive planning and engagement with relevant stakeholders. In the medium term, Virgin Money will continue to operate as a separate legal entity within the Combined Group, with a separate board of directors and a separate banking licence held by Clydesdale Bank. Nationwide intends that the Combined Group will retain the "Virgin Money" brand in the medium term, for the purposes of Virgin Money products and services, but has agreed with Virgin Enterprises that it will cease doing so over a six-year period from Completion, by which point Nationwide will have re-branded the Virgin Money business (as further set out in paragraph 4 of this announcement).

It is the Nationwide Board's intention that, over time, some of the key benefits of Nationwide's mutual business model will also become available to Virgin Money's customers, including through enhanced service performance. In the medium term, customers of the Combined Group will benefit from Nationwide's continuing commitment to, and investment in, existing branches, and leading levels of customer service. Nationwide's 'Branch Promise', coupled with the addition of Virgin Money's branches, will preserve customers' ability to access cash and continue to provide them with a choice as to how to transact.

Nationwide does not intend for customers of Virgin Money to automatically become members of Nationwide for at least the twelve months following Completion, although Virgin Money customers who open a Nationwide member-eligible product will become Nationwide members. Nationwide intends to consider options for transferring certain Virgin Money customers to Nationwide over the medium to long term, whilst avoiding customer disruption; following any such transfer, those qualifying Virgin Money customers would become Nationwide members.

Nationwide is committed to maintaining its breadth of coverage and over time, the Combined Group's customers are expected to benefit from the enlarged range of products and propositions on offer. In the long term, Nationwide will consider options to optimise the product range of, and make available business banking, accounts for clubs and charities and wider credit card offerings to customers of, the Combined Group.

Nationwide remains committed to the delivery of existing regulatory, operational resilience, and core service programmes across both Nationwide and Virgin Money. During integration, Nationwide will explore opportunities to achieve cost synergies across the Combined Group where possible (including through the expected headcount reductions referred to below, as well as the rationalisation of technology and systems), whilst maintaining its focus on good customer outcomes. As a mutual, any savings will contribute to Nationwide's financial strength, helping it to deliver value for its customers and members. That financial strength will also support Nationwide's commitment to share its success with its customers and members, including through future 'Fairer Share Payments' to eligible Nationwide members.

Prior to this announcement, and consistent with market practice, Nationwide has been granted access to Virgin Money's senior management for the purposes of confirmatory due diligence. However, as is customary, Nationwide has not yet had access to sufficiently detailed information to finalise its plans regarding the integration of the Combined Group. Nationwide expects to formulate these specific plans only following comprehensive consultation with relevant stakeholders.

Therefore, following Completion, Nationwide intends to work with Virgin Money's management to undertake a detailed evaluation of the Virgin Money Group (the "**Review**"). The Review will include, among other considerations, an appraisal of the short and long-term objectives, strategy, and potential of the Virgin Money Group.

The aim of the Review will be to validate Nationwide's assumptions and understandings regarding the business of the Virgin Money Group which have been developed through the management meetings held as part of its confirmatory due diligence exercise.

Clydesdale Bank and the other members of its ring-fenced sub-group are subject to restrictions on their business that are similar to those imposed on Nationwide and other building societies by the Building Societies Act 1986. As part of the Review, Nationwide will take appropriate measures to ensure that the activities of the Virgin Money Group following Completion are aligned with those restrictions, which could include changes to certain risk management products offered by the Virgin Money Group to corporate customers.

Nationwide expects that the Review will be completed within approximately eighteen months from Completion.

Employees and management

Nationwide values the skills and experience of Virgin Money's approximately 7,300 full time equivalent workforce and believes the Acquisition represents an opportunity to harness the talent of this group. Nationwide's workforce, including members of its management team, comprises people who joined the business as part of prior acquisitions, demonstrating the opportunity to build a strong and diverse employee base by bringing two organisations together. Nationwide is committed to helping Virgin Money's people be at their best and thrive, building on the existing

culture of Virgin Money which seeks to promote high performance, and to help colleagues feel supported and develop rewarding careers.

As part of the Review, Nationwide intends to assess the workforce requirements of the Combined Group. Nationwide expects the Combined Group's headcount and resources to be well-positioned to meet the demands and expectations of its customer base, and does not anticipate any material change in the balance of skills and functions of employees and management of the Combined Group. Nationwide does not intend to make any material changes to the size of the Virgin Money employee base during the twelve months following Completion. However, over that period, it is currently expected that there may be some limited workforce changes to reduce the size of overlapping central functions relating to Virgin Money ceasing to be a standalone publicly listed company, as part of the broader integration of the Combined Group. The evaluation of any further workforce changes will form part of the Review and would only be implemented over the medium term. All workforce changes would be subject to comprehensive planning and engagement with affected employees and their representatives, including as required by applicable law.

Nationwide confirms that, following Completion, it will safeguard the existing contractual and statutory rights of Virgin Money employees, including pension arrangements and redundancy policies, and that Nationwide will recognise the continuous service of Virgin Money employees. As part of the Review, an assessment of the differences between Virgin Money's and Nationwide's employment terms, conditions and policies will be undertaken. The outcome of that assessment will be used to inform any alignment of terms, with any alignment only taking place following comprehensive consultation with affected employees and their representatives.

Nationwide values the importance of effective governance and independent oversight. The Nationwide Board and Board-level committees will serve as those of the Combined Group, with responsibilities expanded to provide governance and oversight on a consolidated basis.

David Duffy, CEO of Virgin Money, will step down from his position, effective from Completion. Chris Rhodes, CFO of Nationwide, will take on the position of CEO of Virgin Money, with Muir Mathieson, Deputy CFO and Treasurer of Nationwide, becoming CFO of Nationwide. Both appointments are subject to regulatory approval and will report directly into Debbie Crosbie as CEO.

Nationwide has not entered into, nor had any discussions regarding, any form of incentive arrangements with members of Virgin Money's management, but expects to put in place appropriate incentive arrangements following Completion of the Acquisition.

Pensions

Clydesdale Bank sponsors the Yorkshire & Clydesdale Bank Pension Scheme, a defined benefit occupational pension scheme, which is closed to new members but remains open to future accrual for a small number of employees (the "**DB Scheme**"). Nationwide's intention is for employer contributions to the DB Scheme and current arrangements for the accrual of benefits to continue in line with current requirements, and it intends to work constructively with the trustees of the DB Scheme going forward.

Virgin Money also currently operates a defined contribution pension scheme. Nationwide's intention is to maintain contribution rates in relation to Virgin Money's defined contribution pension scheme for at least the twelve months following Completion.

Locations of business, headquarter functions and fixed assets

Nationwide has the largest single-brand branch network in the UK and is committed to maintaining its breadth of coverage. Nationwide will extend its 'Branch Promise', and as a result it will retain a Nationwide branch everywhere one is present, until at least the start of 2028. In addition, from Completion, Nationwide intends to retain a Virgin Money branch everywhere one is present, until at least the start of 2028. This will be subject to any circumstances beyond Nationwide's control and any relevant plans and proposals for branch closures that have already been approved by Virgin Money, and which are ongoing as at Completion. Nationwide intends initially to operate the Nationwide and Virgin Money branch networks separately, with the potential for integration informed by the outcomes of the Review and subsequent integration activities.

Nationwide values Virgin Money's ongoing office presence in Glasgow and Newcastle, and it intends to maintain a presence there in the medium term. Over that period, Nationwide intends to explore the scope for operational synergies through the simplification and optimisation of the Combined Group's office buildings, in order to drive efficiencies and effectiveness across the Combined Group.

Save for its technology estate (referred to below), Virgin Money does not have any other material fixed assets.

Technology

Nationwide will take a customer-centric and safety-first approach to the use and integration of Virgin Money's technology. Nationwide intends, over the medium term, to assess the systems of both organisations and rationalise those towards an optimal solution, to fulfil service commitments to the Combined Group's customers. A detailed assessment as to the nature of this rationalisation is expected as part of the Review.

Research and development

Virgin Money does not currently have a dedicated research and development function and Nationwide has no plans in this regard.

Trading facilities

Virgin Money's Shares are currently traded on the London Stock Exchange main market, and Virgin Money CDIs are currently traded on the ASX. Nationwide intends to cancel these arrangements with effect from Completion.

No post-offer undertakings

No statements in this paragraph 8 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

9. Virgin Money Board's views on Nationwide's Intentions to Virgin Money

In considering the recommendation of the Acquisition to Virgin Money Shareholders, the Virgin Money Directors have taken into account the statements and assurances made by Nationwide, as set out in paragraph 8 above, regarding their future intentions for the business, employees,

customers and community of Virgin Money. In considering those statements and assurances, the Virgin Money Directors have focused on the interests of Virgin Money employees and have considered the commitments made by Nationwide to protect employees' rights with regard to employment terms, redundancies and pension obligations. Further, the Virgin Money Directors place value on Nationwide's commitment to maintaining its breadth of coverage and service, with customers benefitting over time from the enlarged range of products and propositions on offer.

10. Information on Virgin Money

Virgin Money is a Tier 1 bank with c.6.6 million retail and business customers across the UK, bringing the best of the "Virgin Money" brand to make banking better and enable customers to achieve their financial goals. Led by its purpose of 'making you happier about money', Virgin Money offers a range of straightforward, award-winning products including current accounts, credit cards, savings, investments, mortgages, pensions, loans and more.

Rewarding, digital-first customer experiences are central to its ambition of becoming the UK's best digital bank, supported by a network of stores, contact centres and relationship managers. Through the Virgin Money Foundation and key partnerships, the bank also delivers positive change in society as part of its progressive sustainability and ESG agenda.

An inclusive and ambitious culture for approximately 7,300 full time equivalent colleagues is fostered throughout the organisation, encouraging colleagues to work in a healthy, flexible, digitally led environment. Headquartered in Glasgow with major offices in Newcastle upon Tyne and London, Virgin Money is a FTSE 250 company, dual-listed on the London Stock Exchange (VMUK) and the Australian Securities Exchange (VUK).

11. Current trading and Virgin Money auditor update

As set out in its trading update on 6 February 2024, in Q1 FY2024 Virgin Money delivered continued growth in relationship deposits and target lending segments, whilst maintaining a stable margin, with ongoing cost efficiencies mitigating inflation. Trading in Q2 FY2024 remains in line with the trends set out in the Q1 FY2024 trading update. Net interest margin continues to be resilient, despite competition and the interest rate backdrop, supported by ongoing effective interest rate outperformance in the credit cards portfolio. Costs in Q2 FY2024 will reflect the timing of annual wage rises and the new bank levy in the quarter. Asset quality trends remain broadly consistent with those set out as part of the Q1 FY2024 trading statement and Virgin Money remains on track to conclude its review of SICR (significant increases in credit risk) criteria in respect of its credit card portfolio. During Q2 FY2024, Virgin Money has maintained a robust liquidity and funding position, with a strong capital position to support ongoing growth and returns.

Over the remainder of FY2024, lower interest rates and competitive market dynamics are expected to be a headwind to net interest margin, offset by reinvestment of the structural hedge, growth in target segments and ongoing credit cards effective interest rate outperformance. The impact of persistent inflation and ongoing investment, are expected to be headwinds to cost performance, partially mitigated by Virgin Money's existing cost saving programme.

On 19 March 2024, Virgin Money's auditors, PricewaterhouseCoopers LLP, gave notice that they would be resigning with effect from 19 March 2024 in light of the possible Acquisition announcement by Virgin Money on 7 March 2024. The statement of reasons in connection with PricewaterhouseCoopers LLP's resignation will be sent to Virgin Money Shareholders in

accordance with section 519 of the Companies Act. The Virgin Money Board is currently in the process of reappointing Ernst & Young LLP to fill the resulting vacancy, subject to the completion of customary onboarding processes. As a consequence of the Acquisition and change in auditors, Virgin Money now expects to release an update on trading in May before releasing its interim results in June 2024.

12. Information on Nationwide

Nationwide is the world's largest building society, with over 17 million customers, 16 million of whom have a current account, mortgage or savings product, and are therefore members of the Society. Nationwide is owned by its members and focuses on providing banking products and services to its customers. Nationwide has over 18,000 employees, including those based in its headquarters in Swindon, and those working in its network of over 600 branches across the UK. The combination of its mutual ownership model and scale puts Nationwide in a unique position within the UK financial services ecosystem.

Following the Acquisition, Nationwide will remain a building society.

Nationwide is the UK's third largest mortgage provider and holds almost £1 in every £10 saved in the UK, as well as one in ten of the UK's current accounts. It also supports landlords and those who rely on the private rented sector for their long-term housing needs through its buy to let business, The Mortgage Works. In addition, Nationwide offers a comprehensive range of wider retail financial services and products, including credit cards, personal loans and insurance. These offerings diversify its income, and help it give value back to its customers, through better product pricing than the market average and better service than its peers.

Nationwide's purpose is 'Banking – but fairer, more rewarding, and for the good of society'. The Nationwide Board believes that its mutual ownership model enables it to balance its need to retain sufficient profit to remain financially strong, with its commitment to share its success with its customers and members. It aims to achieve this through its four strategic drivers:

- More rewarding relationships – developing deeper, broader, more lifelong relationships that provide value in banking;
- Simply brilliant service – providing personalised, trusted service, at every touchpoint;
- Beacon for mutual good – having a meaningful impact on customers, Members, communities and society, by being bigger and doing better; and
- Continuous improvement – operating simply and efficiently, to respond to customer and Member needs at pace.

In 2023, Nationwide gave 3.4 million eligible members a share of its profits through its 'Fairer Share Payment'. The provision of future Fairer Share Payments will depend on Nationwide's ongoing financial performance. Nationwide will confirm the level of any Fairer Share Payment in respect of its current financial year, as well as the relevant member eligibility criteria, after its financial year-end.

13. Capital structure and pro-forma prudential ratios

Nationwide expects the Combined Group to have a strong pro-forma capital position with a common equity tier 1 ratio of approximately 20 per cent. and a leverage ratio of approximately 5 per cent., both comfortably above regulatory minimums. Nationwide also expects the Combined Group's liquidity ratios to be well in excess of regulatory minimums.

These estimated pro-forma positions are illustrative only and have been calculated using unaudited estimates of the position as at 30 September 2024 prepared by Nationwide. More information in relation to these estimates is set out in Appendix 2 to this announcement.

The Combined Group will be subject to the consolidated supervision of the PRA under the UK Capital Requirements Regulation. It is not anticipated that the Acquisition will require any immediate changes to the capital structure of the Virgin Money Group or the Combined Group as a whole. Nationwide and Virgin Money intend to simplify and align their capital structures over time as part of broader integration planning.

14. Financing of the Acquisition

The cash Consideration necessary to satisfy the Acquisition in full will be funded from Nationwide's existing cash resources. UBS, in its capacity as financial adviser to Nationwide, is satisfied that sufficient resources are available to Nationwide to satisfy in full the Consideration payable by Nationwide to Virgin Money Shareholders pursuant to the Acquisition.

15. Share Plans

Participants in the Virgin Money Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Virgin Money Share Plans and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document (or, as the case may be, the Offer Document) and in separate letters to be sent to participants in the Virgin Money Share Plans.

16. Offer-related Arrangements

Confidentiality Agreement between Nationwide and Virgin Money

On 29 February 2024, Nationwide and Virgin Money entered into the Confidentiality Agreement in connection with the Acquisition, pursuant to which, amongst other things, the parties gave certain undertakings to: (i) subject to certain exceptions, keep information relating to the Acquisition and each other party's group confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of: (i) the second anniversary of the date of the Confidentiality Agreement; or (ii) the date of Completion.

Clean Team and Joint Defence Agreement between Nationwide, Virgin Money and their respective external counsel

Nationwide, Virgin Money and their respective external counsel have entered into a Clean Team and Joint Defence Agreement dated 4 March 2024, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective external counsel and external experts, and does not diminish in any way the confidentiality of

such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

Clean Team Agreement between Nationwide and Virgin Money

Nationwide and Virgin Money have entered into a Clean Team Agreement dated 15 March 2024 which sets out, among other things, how confidential information that is competitively sensitive can be disclosed, used or shared between Nationwide's clean team individuals and/or external advisers retained by Nationwide and Virgin Money's clean team individuals and/or external advisers retained by Virgin Money.

Co-operation Agreement between Nationwide and Virgin Money

On 21 March 2024, Nationwide and Virgin Money entered into the Co-operation Agreement in relation to the Acquisition. Pursuant to the Co-operation Agreement:

- Nationwide has agreed to use all reasonable endeavours to obtain, and make any necessary filings in relation to, the regulatory clearances and authorisations necessary or advisable to satisfy the Conditions set out in paragraphs 4(A), 4(B) and 4(D) (inclusive) of Part A of Appendix 1 as soon as reasonably practicable and in any event by the Long Stop Date, subject to certain customary carve-outs;
- the parties have agreed to (i) implement certain arrangements with respect to the Virgin Money Share Plans and bonus arrangements; (ii) certain provisions if the Acquisition should switch to a Takeover Offer; and (iii) Virgin Money's redundancy policy (as it applies to Virgin Money's management and employees) applying for a period of 12 months from the Effective Date; and
- Nationwide has also agreed to (i) provide Virgin Money with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; and (ii) certain restrictions applicable to Nationwide during the Offer Period relating to the entry into or amendment of agreements or arrangements with Virgin Group (or any of its subsidiaries, including Virgin Enterprises) relating to the "Virgin Money" brand.

The Co-operation Agreement shall terminate, amongst other things:

- if agreed in writing between Nationwide and Virgin Money at any time prior to the Effective Date;
- upon written notice served by Nationwide to Virgin Money if (i) the Virgin Money Board recommends or announces that it intends to recommend a competing proposal or a competing proposal becomes effective or is declared unconditional; and/or (ii) the Virgin Money Board's recommendation in respect of the Acquisition changes in a manner that is adverse in the context of the Acquisition; or
- upon written notice by either Nationwide or Virgin Money to the other if (i) a competing offer becomes effective or is declared or becomes unconditional; (ii) the Acquisition is withdrawn, terminates or lapses in accordance with its terms; (iii) prior to the Long Stop Date, a Condition which is either not capable of being waived or, where capable of being

waived, Nationwide has confirmed that it will not waive said Condition, becomes incapable of satisfaction by the Long Stop Date in circumstances where invocation of the relevant Condition is permitted by the Panel; (iv) unless the Acquisition has switched to a Takeover Offer: (a) the Scheme is not approved at the Court Meeting and/or the Resolution(s) are not approved at the General Meeting or the Court definitively refuses to sanction the Scheme at the Court Hearing; or (b) the General Meeting, the Court Meeting or the Court Hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document (or such later date, if any, as Nationwide and Virgin Money may agree, or (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that (if so required) the Court may allow); (v) if the Acquisition is implemented by way of a Takeover Offer, the Resolution(s) are not passed at the General Meeting; or (vi) if the Effective Date has not occurred by the Long Stop Date (unless otherwise agreed by the parties in writing, or required by the Panel).

17. Scheme process and publication of the Scheme Document

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Virgin Money and the Scheme Shareholders under Part 26 of the Companies Act. Nationwide reserves the right, however, to effect the Acquisition by way of Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement.

The purpose of the Scheme is to provide for Nationwide to become the owner of the whole of the issued and to be issued share capital of Virgin Money. Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Nationwide in consideration for which Scheme Shareholders (or, where CDN is the Scheme Shareholder, the holders of Virgin Money CDIs representing the relevant Scheme Shares) will receive the Consideration on the basis set out in paragraph 2 of this announcement. The process involves, amongst other things, an application by Virgin Money to the Court to sanction the Scheme.

The Acquisition will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this announcement and to be set out in the Scheme Document. Subject, amongst other things, to the satisfaction (or, where applicable, waiver) of the Conditions, the Scheme will only become Effective if, amongst other things, the following events occur on or before the Long Stop Date:

- the approval by a majority in number of Scheme Shareholders, present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof) and the passing, at the General Meeting, of the Acquisition Resolution(s) by Virgin Money Shareholders representing 75 per cent. or more of the votes validly cast on the Acquisition Resolution(s) (the General Meeting will be held immediately after the Court Meeting);
- the passing of the Virgin Resolution by Independent Virgin Money Shareholders on a poll, whether in person or by proxy, representing more than 50 per cent. of the votes validly cast on the Virgin Resolution;

- certain regulatory approvals as described in Appendix 1 (including approvals from the FCA and PRA (being the relevant regulators of the Virgin Money Group's businesses), as well as the CMA) are obtained (or waived, as applicable);
- following the Meetings, the Scheme is sanctioned by the Court (with or without modification, and, if with modification, on terms agreed by Nationwide and Virgin Money); and
- following such sanction, a copy of the Court Order is delivered to the Registrar of Companies.

The circumstances in which the approval of Nationwide's members would be required in relation to the Acquisition are set out under the Building Societies Act 1986. Having taken appropriate legal and financial advice, the Nationwide Board has determined that no such member approval is required. Accordingly, the Acquisition will not be subject to any condition relating to the passing of a resolution by Nationwide's members to approve the Acquisition. Further, no additional conditionality will be permitted to be introduced in relation to the Acquisition following the release of this announcement under the Takeover Code, including any conditionality relating to the approval of the Acquisition by Nationwide's members.

Upon the Scheme becoming Effective, it will be binding on all Virgin Money Shareholders (including, for the avoidance of doubt, those Virgin Money CDI Holders who are entitled to vote through CDN by executing and delivering a CDI Voting Instruction Form), irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour) and the Consideration will be despatched by Nationwide to Scheme Shareholders (or, where CDN is the Scheme Shareholder, to Virgin Money CDI Holders representing the relevant Scheme Shares) no later than 14 days after the Effective Date. In addition, share certificates in respect of the Virgin Money Shares and CHESS holding statements or uncertificated holding statements for Virgin Money CDIs will cease to be valid and entitlements to Virgin Money Shares held within the CREST system and to Virgin Money CDIs within the CHESS system will be cancelled.

Any Virgin Money Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Virgin Money Shares issued after the Scheme Record Time (other than to Nationwide and/or its nominees) to be automatically transferred to Nationwide on the same terms as the Acquisition (other than terms as to timings and formalities). These provisions of the Articles (as amended) will avoid any person (other than Nationwide and/or its nominees) holding Virgin Money Shares after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable for the implementation of the Scheme. The Scheme Document will also specify the action to be taken by Scheme Shareholders (and, in relation to Scheme Shares in respect of which CDN is the Scheme Shareholder, holders of the Virgin Money CDIs representing the relevant Scheme Shares). The Scheme Document, together with accompanying Forms of Proxy (for Virgin Money Ordinary Shareholders) and CDI Voting Instruction Forms (for Virgin Money CDI Holders) will be published in due course. A short extension to the customary 28-day period for publication of the Scheme Document has been requested of, and consented to by, the Panel having regard to, amongst other things, the

availability of appropriate Court dates given the impact of the Court's Easter vacation. Accordingly, it is expected that the Scheme Document will be published no later than 30 April 2024.

The Acquisition will lapse if the Scheme does not become Effective by the Long Stop Date.

Prior to the publication of the Scheme Document, Virgin Money will seek the necessary permission from the Court to convene the Court Meeting. A Scheme Convening Hearing before a High Court judge has been scheduled for 19 April 2024 for this purpose. At the Scheme Convening Hearing, amongst other things, Virgin Money will determine with the Court whether, for the purposes of voting at the Court Meeting, all Virgin Money Shareholders, including Virgin Group and Vieco Investments, can vote together as one class. The Court will consider whether the legal rights of Virgin Group and Vieco Investments, in the light of the arrangements with Virgin Enterprises and Virgin Red described in paragraph 4 above are sufficiently similar to the legal rights of the other Virgin Money Shareholders, or whether a difference in legal rights makes it more appropriate for Virgin Group and Vieco Investments to be distinguished as a separate class of shareholders. Virgin Money and Nationwide consider that all Virgin Money Shareholders should vote in a single class of shareholders. The Scheme Convening Hearing is expected to take place at the Companies Court, The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL, United Kingdom, and the time of the hearing will be set out on HM Courts & Tribunals Service's website at www.justice.gov.uk/courts/court-lists. Virgin Money Shareholders have the right to attend in person or through counsel and make representations at the Scheme Convening Hearing. Subject to, amongst other things, the satisfaction (or, where applicable, waiver) of the Conditions, it is expected that the Acquisition will become Effective during Q4 2024.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange (including pursuant to the Listing Rules) and the Registrar of Companies.

18. Virgin Money CDI Holders and currency election

In this announcement, unless the context requires otherwise, references to Virgin Money Shares include Virgin Money CDIs, references to Virgin Money Shareholders include Virgin Money CDI Holders and references to Virgin Money Shareholders voting in respect of the Scheme or the Resolutions or accepting a Takeover Offer shall include Virgin Money CDI Holders procuring the same.

Virgin Money Shareholders will be able to elect to receive their Consideration in Australian dollars or New Zealand dollars instead of pound sterling (based on the prevailing exchange rates at a date to be determined), further details regarding which will be set out in the Scheme Document.

19. Dividends

If, on or after the date of this announcement and before the Effective Date, other than the FY2024 Dividend and any repurchases of Virgin Money Shares by Virgin Money pursuant to the Buyback Programme, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Virgin Money or becomes payable by Virgin Money in respect of the Virgin Money Shares, Nationwide reserves the right to reduce the Consideration that would be payable for the Virgin Money Shares pursuant to the Acquisition by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Virgin Money

Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value to which they are entitled.

20. Disclosure of interests

Except for the irrevocable undertakings referred to in paragraph 7 above and (i) the 274 Virgin Money Ordinary Shares held by a close relative of Sally Orton (being a person deemed to be acting in concert with Nationwide) and (ii) the 927 Virgin Money Ordinary Shares held by Debbie Crosbie (being a person deemed to be acting in concert with Nationwide), as at the date of this announcement neither Nationwide, nor any of its directors, nor, so far as Nationwide are aware, any person acting in concert (within the meaning of the Takeover Code) with Nationwide:

- has any interest in, or right to subscribe for, any relevant securities of Virgin Money; nor
- has any short position in respect of any relevant securities of Virgin Money, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Virgin Money; nor
- has borrowed or lent any relevant securities of Virgin Money or entered into any financial collateral arrangements relating to relevant securities of Virgin Money; nor
- is party to any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Takeover Code in relation to relevant securities of Virgin Money.

An “interest in” securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

21. Cancellation of admission to trading of Virgin Money Shares on the Official List and suspension and delisting of Virgin Money CDIs on the ASX

Prior to the Scheme becoming Effective, it is intended that an application will be made to the FCA and the London Stock Exchange to, subject to the Acquisition becoming Effective, cancel the listing of Virgin Money Shares on the Official List and the trading of Virgin Money Shares on the London Stock Exchange respectively, with effect from or shortly following the Effective Date.

The last day of dealings in, and registration of transfers of, Virgin Money Shares on the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6:00 p.m. (London time) on that date.

Virgin Money CDIs are currently traded on the ASX. It is intended that a request will be made to the ASX to suspend trading in Virgin Money CDIs on the ASX and delist the Virgin Money CDIs from the ASX with the suspension expected to take effect at close of business on the day falling two ASX trading days before the Scheme Record Date and the de-listing expected to take effect on or shortly after the Effective Date.

On the Effective Date, Virgin Money will become a wholly-owned subsidiary of Nationwide and share certificates in respect of Virgin Money Shares and CHESS holding statements or uncertificated holding statements for Virgin Money CDIs will cease to be valid and should be destroyed. In addition, entitlements held within the CREST system to the Virgin Money Shares and entitlements held within the CHESS system to Virgin Money CDIs will be cancelled on the Effective Date.

Upon the Scheme becoming Effective, Nationwide will acquire the Virgin Money Shares fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

22. Consents

UBS, Goldman Sachs International and J.P. Morgan Cazenove have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and content in which they appear.

23. Documents available for inspection

Copies of this announcement and the following documents will, by no later than 12 noon on the business day following the date of this announcement, be published on Nationwide's website at www.nationwide.co.uk/virgin-money/ and Virgin Money's website at www.virginmoneyukplc.com/investor-relations/announcements/:

- this announcement;
- the irrevocable undertakings referred to in paragraph 7 above and further described in Appendix 3 to this announcement;
- the Confidentiality Agreement;
- the Clean Team and Joint Defence Agreement;
- the Clean Team Agreement; and
- the Co-operation Agreement.

The contents of any website referred to in this announcement are not incorporated into and do not form part of this announcement.

24. General

Nationwide reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Virgin Money not already held by Nationwide as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme. Whether the Acquisition proceeds by way of the Scheme or a

Takeover Offer, the Virgin Resolution must be passed by more than 50 per cent. of the votes validly cast, whether in person or by proxy, by Independent Virgin Money Shareholders at the General Meeting in order for the Acquisition to proceed to Completion. Virgin Group and Vieco Investments will not be permitted to vote on the Virgin Resolution.

In the event that the Acquisition is to be implemented by way of a Takeover Offer, Virgin Money Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, Nationwide intends to: (i) request that the FCA and the London Stock Exchange cancel the listing of Virgin Money Shares on the Official List and the trading of Virgin Money Shares on the London Stock Exchange respectively; (ii) request that the ASX suspend trading in Virgin Money CDIs on the ASX and delist the Virgin Money CDIs from the ASX; and (iii) exercise its rights (to the extent such rights are available) to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Virgin Money Shares in respect of which the Takeover Offer has not been accepted.

The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable undertakings received by Nationwide in connection with the Acquisition are set out in Appendix 3 to this announcement. Certain terms used in this announcement are defined in Appendix 4.

Enquiries:

Nationwide Building Society

Muir Mathieson, Deputy CFO and Treasurer

Sarah Abercrombie, Head of Investor Relations, Credit Ratings and Treasury Sustainability

Media enquiries:

Nationwide-UK@fgsglobal.com

Investor enquiries:

Nationwide.treasury@Nationwide.co.uk

UBS (financial adviser to Nationwide)

+44 (0)20 7567 8000

Sam Small

Ben Crystal

David Sissons

FGS Global (public relations adviser to Nationwide)

+44 (0)20 7251 3801

James Murgatroyd

Charlie Chichester

Richard Webster-Smith

Sophia Johnston

Virgin Money UK PLC
Investors and Analysts

Richard Smith
Head of Investor Relations & Sustainability

+44 (0)7483 399303
richard.smith@virginmoney.com

Company Secretary

Lorna McMillan
Group Company Secretary

+44 (0)7834 585436
lorna.mcmillan@virginmoney.com

Media Relations

Press Office

+44 (0)800 066 5998
press.office@virginmoney.com

**Goldman Sachs International (joint Rule 3
independent financial adviser and joint corporate
broker to Virgin Money)**

Anthony Gutman
Nimesh Khiroya
Ronan Breen
Bertie Whitehead
Pernille Thuesen

+44 (0)20 7774 1000

+44 (0)20 3493 8000

**J.P. Morgan Cazenove (joint Rule 3 independent
financial adviser and joint corporate broker to
Virgin Money)**

Conor Hillery
Dwayne Lysaght
Claire Brooksby
Ravin Mehta

+44 (0)7753 136628
+61 406 918080

Teneo (public relations adviser to Virgin Money)

Douglas Campbell (UK)
Julia Henkel (Australia)

Slaughter and May is acting as legal adviser to Nationwide in connection with the Acquisition.

Clifford Chance LLP is acting as legal adviser to Virgin Money in connection with the Acquisition.

Allen and Overy is acting as legal adviser to Virgin Group in connection with the Acquisition.

Inside Information

This announcement contains inside information as stipulated under the Market Abuse Regulation no 596/2014 (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon the

publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form any part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Virgin Money in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).

Virgin Money and Nationwide will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to Virgin Money Shareholders. Virgin Money and Nationwide urge Virgin Money Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.

Disclaimers

This announcement does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

UBS AG London Branch ("UBS") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting exclusively for Nationwide and no one else in connection with the Acquisition. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.

Goldman Sachs International ("GSI"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting for Virgin Money and no one else in connection with the distribution of this document and will not be responsible to anyone other than Virgin Money

for providing the protections afforded to clients of GSI, or for giving advice in connection with the Acquisition or any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as joint financial adviser exclusively for Virgin Money and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

Overseas jurisdictions

This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code, the Market Abuse Regulation and the Listing Rules, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom or Australia may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Australia should inform themselves about, and observe any applicable requirements.

The availability of the Acquisition to Virgin Money Shareholders who are not resident in and citizens of the United Kingdom or resident in Australia may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizen. Persons who are not resident in the United Kingdom or Australia should inform themselves of, and observe any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom or Australia to vote their Virgin Money Shares or to execute and deliver CDI Voting Instruction Forms in respect of Virgin Money CDIs (as applicable) with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the Meetings on their behalf or CDI Voting Instruction Forms (or other voting instructions) issuing voting instructions in relation to the Meetings, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Unless otherwise determined by Nationwide or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including

custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange (including pursuant to the Listing Rules) and the Registrar of Companies.

Notice to US investors in Virgin Money

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved, disapproved or passed judgment on the fairness or the merits of any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence in the United States.

If, in the future, Nationwide exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation 14E thereunder. Such a takeover would be made in the United States by Nationwide and no one else.

Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

The receipt of cash pursuant to the Acquisition by a Virgin Money Shareholder in the US as consideration for the transfer of its Scheme Shares (or, in relation to a Virgin Money CDI Holder, the Scheme Shares underlying its Virgin Money CDIs) pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Virgin Money Shareholder is therefore urged to consult with

independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.

It may be difficult for Virgin Money Shareholders in the US to enforce their rights and any claim arising out of the US federal laws in connection with the Acquisition, since Nationwide and Virgin Money are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. Virgin Money Shareholders in the US may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, Nationwide, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Virgin Money Shares and/or Virgin Money CDIs outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of UBS GSI and J.P. Morgan Cazenove will continue to act as an exempt principal trader in Virgin Money Shares and Virgin Money CDIs on the London Stock Exchange and the ASX, respectively. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Cautionary Note Regarding Forward-Looking Statements

This announcement (including information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by Nationwide and/or Virgin Money, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of Nationwide and/or Virgin Money about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Virgin Money and certain plans and objectives of Nationwide with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Virgin Money and/or Nationwide in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in

the future. Although Nationwide and/or Virgin Money believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Nationwide nor Virgin Money assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to proceed with or complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future inflation, deflation, exchange and interest rates; changes in tax and national insurance rates; future business combinations, capital expenditures, acquisitions or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Nationwide and Virgin Money operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Nationwide and Virgin Money operate; the repercussions of the outbreak of epidemics (including but not limited to the COVID-19 outbreak); changes to the Boards of Nationwide and/or Virgin Money and/ or the composition of their respective workforces; exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities; risks relating to environmental matters such as climate change including Nationwide and/or Virgin Money's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory and governmental bodies; changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of Nationwide and/or Virgin Money; the repercussions of the UK's exit from the EU (including any change to the UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, conflicts in the Middle East, any referendum on Scottish independence, and any UK or global cost of living crisis or recession. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Nationwide nor Virgin Money, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.

Other than in accordance with their legal or regulatory obligations, neither Nationwide nor Virgin Money is under any obligation, and Nationwide and Virgin Money expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available

free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nationwide's website at www.nationwide.co.uk/virgin-money/ and Virgin Money's website at www.virginmoneyukplc.com/investor-relations/announcements/ by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or forms part of this announcement.

No profit forecasts, profit estimates or quantified benefits statements

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Virgin Money for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Virgin Money.

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, Virgin Money Shareholders, persons with information rights and participants in the Virgin Money Share Plans may request a hard copy of this announcement by contacting Virgin Money's registrars, Computershare. Virgin Money Ordinary Shareholders can: (i) submit a request in writing to Computershare Investor Services UK PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZZ, United Kingdom; or (ii) call +44 (0)370 707 1172. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Virgin Money CDI Holders can: (i) submit a request in writing to Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067, Australia; or (ii) call 1800 764 308 (or +61 3 9415 4142 if calling from outside of Australia). Calls are charged at the standard geographical rate and will vary by provider. Calls outside Australia will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 7.00 p.m. (AEST), Monday to Friday (excluding public holidays in Australia). Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Virgin Money Shareholders, persons with information rights and other relevant persons for the receipt of communications from Virgin Money may be provided to Nationwide during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

General

Nationwide reserves the right to elect, with the consent of the Panel (where necessary), and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Virgin Money not already held by Nationwide as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of Takeover Offer, and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Nationwide intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Virgin Money Shares in respect of which the Takeover Offer has not been accepted.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

APPENDIX 1
CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION

Long Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

Scheme approval condition

2. The Scheme will be conditional upon:
 - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of Virgin Money (or the relevant class or classes thereof, if applicable) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and (ii) such Court Meeting and any such separate class meeting or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as Nationwide and Virgin Money may agree, or (b) (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that (if so required) the Court may allow);
 - (B) (i) the Acquisition Resolution(s) being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting; and (ii) such General Meeting or any adjournment of such meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as Nationwide and Virgin Money may agree, or (b) (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that (if so required) the Court may allow); and
 - (C) (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Nationwide and Virgin Money) and the delivery of the Court Order to the Registrar of Companies; and (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, (a) as Nationwide and Virgin Money may agree, or (b) (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that (if so required) the Court may allow).

Virgin Resolution

3. The Acquisition will be conditional upon:
 - (A) the Virgin Resolution being duly passed by the requisite majority of Independent Virgin Money Shareholders at the General Meeting or at any adjournment of that meeting for the purposes of Note 2 on Rule 16.1 of the Takeover Code; and
 - (B) the TMLA not being terminated and notice not being served to terminate the TMLA.

General conditions

4. In addition, Nationwide and Virgin Money have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied, or, where relevant, waived:

Regulatory

- (A) in respect of Nationwide and each other person (if any) required to give a notice under section 178(1) FSMA in connection with the Acquisition, the appropriate regulator (as defined in section 178(2A) FSMA) of each UK authorised person (as defined in section 191G FSMA) with respect to whom the Acquisition contemplates an acquisition of or increase in control (within the meaning of Part XII FSMA):
 - (i) having given notice for the purposes of section 189(4)(a) or section 189(7) FSMA that it has determined to approve such acquisition of or increase in control on terms (if any) that are reasonably satisfactory to Nationwide; or
 - (ii) being treated, by virtue of section 189(6) FSMA, as having approved such acquisition of or increase in control,

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (as amended from time to time);

Competition

- (B) either:
 - (i) on terms reasonably satisfactory to Nationwide:
 - (a) the CMA confirming that the Acquisition or any matter arising therefrom or related thereto or any part of it will not be subject to a Phase 2 reference under section 33 of the Enterprise Act 2002 or on any other statutory basis (a “**Phase 2 CMA Reference**”), or the applicable time period for the CMA to make a Phase 2 CMA

Reference having expired without the CMA having made such a Phase 2 CMA Reference; and

- (b) if the relevant Secretary of State (the “**SoS**”) has made a public interest intervention in respect of the Acquisition or any matter arising therefrom or related thereto or any part of it under Chapter 2 of the Enterprise Act 2002 or on any other statutory basis, the SoS confirming that: (a) the Acquisition can proceed; and (b) the Acquisition or any matter arising therefrom or related thereto or any part of it will not be subject to a reference to the chair of the CMA under section 45 of the Enterprise Act 2002 or on any other statutory basis (a “**Phase 2 SoS Reference**”); or
- (ii) in the event that there is a Phase 2 CMA Reference or a Phase 2 SoS Reference and the Condition set out in paragraph 4(B)(i) above is waived or not invoked by Nationwide: (i) confirmation from the CMA and/or (if applicable) the SoS that the Acquisition and any matter arising therefrom and related thereto, and all parts of it, may proceed on terms reasonably satisfactory to Nationwide; and (ii) to the extent relevant, all conditions or obligations to which such confirmation(s) is or are (as applicable) subject and which are required to be satisfied and/or complied with prior to Completion of the Acquisition having been satisfied or complied with;

General Third Party clearances

- (C) other than in respect of or in connection with the Conditions set out in paragraphs 4(A) and 4(B) above, the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition) arising as a result of or in connection with the Scheme or the Acquisition;
- (D) other than in respect of or in connection with the Conditions set out in paragraphs 4(A) and 4(B) above, all notifications, filings or applications which are necessary having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Nationwide Group of any shares or other securities in, or control of, Virgin Money and all authorisations, orders, recognitions, grants, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals deemed necessary or appropriate by Nationwide or any member of the Wider Nationwide Group (in each such case, acting reasonably) for or in respect of the Acquisition including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Virgin Money or any member of the Wider Virgin Money Group by any member of the Wider Nationwide Group having been obtained in terms and in a form

reasonably satisfactory to Nationwide from all appropriate Third Parties or persons with whom any member of the Wider Virgin Money Group has entered into contractual arrangements and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably considered necessary or appropriate to carry on the business of any member of the Wider Virgin Money Group which are material in the context of the Wider Nationwide Group or the Wider Virgin Money Group as a whole or for or in respect of the Acquisition including, without limitation, its implementation or financing remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

- (E) other than in respect of or in connection with the Conditions set out in paragraphs 4(A) and 4(B) above, no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision or order or change to published practice, and there not continuing to be outstanding any statute, regulation, decision or order or having taken any other action or step which would or might reasonably be expected to:
- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Nationwide Group or any member of the Wider Virgin Money Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Nationwide Group or the Wider Virgin Money Group in either case taken as a whole or in the context of the Acquisition;
 - (ii) require, prevent or delay the divestiture by any member of the Wider Nationwide Group of any shares or other securities in Virgin Money;
 - (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Nationwide Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Virgin Money Group or the Wider Nationwide Group or to exercise voting or management control over any such member;
 - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Nationwide Group or of any member of the Wider Virgin Money Group to an extent which is material in the context of

the Wider Nationwide Group or the Wider Virgin Money Group in either case taken as a whole or in the context of the Acquisition;

- (v) make the Scheme or Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Nationwide or any member of the Wider Nationwide Group of any shares or other securities in, or control of Virgin Money void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay, challenge or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- (vi) require any member of the Wider Nationwide Group or the Wider Virgin Money Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Virgin Money Group or the Wider Nationwide Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider Virgin Money Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition; or
- (viii) result in any member of the Wider Virgin Money Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Scheme or the Acquisition, or the acquisition or proposed acquisition of any Virgin Money Shares having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement etc.

- (F) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Virgin Money Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition, or the acquisition or proposed acquisition of any shares or other securities (or equivalent) in Virgin Money or because of a change in the control or management of Virgin Money or otherwise, could or might reasonably be expected to result in any of the following (to an extent which is material and adverse in the context of the Wider Virgin Money Group or the Wider Nationwide Group, in either case, taken as a whole or in the context of the Acquisition):
 - (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness

being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
- (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, order, grant, recognition, determination, confirmation, consent, licence, clearance, permission, exemption, approval, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Virgin Money Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in subparagraphs (i) to (viii) (inclusive) of this paragraph 4(F), in each case to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;

Certain events occurring since 30 September 2023

- (G) save as Disclosed, no member of the Wider Virgin Money Group, since 30 September 2023 having:
 - (i) save as between Virgin Money and wholly-owned subsidiaries of Virgin Money or for Virgin Money Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Virgin Money Share Plans, issued, or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Virgin Money and wholly-owned subsidiaries of Virgin Money or for the grant of options and awards and other rights granted under the Virgin Money Share Plans or pursuant to existing trading arrangements in relation to Virgin Money CDIs, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the Virgin Money Group, prior to the Acquisition becoming Effective, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise;
 - (iv) save for intra-Virgin Money Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (v) save for intra-Virgin Money Group transactions or in the ordinary course of business, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (vi) save for intra-Virgin Money Group transactions or in the ordinary course of business, issued, authorised or proposed the issue of, or made any changes in or to, any debentures or incurred or increased any indebtedness or become subject to any contingent liability;
 - (vii) save for the Buyback Programme and save as between Virgin Money and wholly-owned subsidiaries of Virgin Money, purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the

matters mentioned in sub-paragraphs (i) or (ii) of paragraph 4(G) above or pursuant to the Buyback Programme, made any other change to any part of its share capital in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole;

- (viii) save for intra-Virgin Money Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such nature or magnitude (save in the ordinary course of business) and is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed in each case to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
- (xi) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
- (xii) made any material alteration to its memorandum or Articles or other incorporation documents;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, in each case, to the extent that is material to the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
- (xiv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any

resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this paragraph 4(G);

- (xv) made or agreed or consented to any change to:
 - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Virgin Money Group for its directors, employees or their dependents;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
- (xvi) save as agreed by the Panel (if required) and Nationwide, proposed, agreed to provide or modified the terms of any of the Virgin Money Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Virgin Money Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Virgin Money Group;
- (xvii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Virgin Money Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (xviii) save as agreed by the Panel (if required) and Nationwide, entered into or varied in a material way (or offered to enter into or vary in a material way) the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider Virgin Money Group;
- (xix) waived or compromised any claim which is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition, otherwise than in the ordinary course; or
- (xx) been subject to the exercise of any stabilisation power or mandatory reduction instrument under the Banking Act 2009;

No adverse change, litigation or regulatory enquiry

- (H) save as Disclosed, since 30 September 2023:
- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits, operational performance or prospects of any member of the Wider Virgin Money Group which, in any such case, is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition and no circumstances have arisen which would or might reasonably be expected to result in such adverse change or deterioration;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Virgin Money Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Virgin Money Group having been instituted announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Virgin Money Group which in any such case has or might reasonably be expected to adversely affect any member of the Wider Virgin Money Group in a way that is material to the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (iii) no contingent or other liability of any member of the Wider Virgin Money Group having arisen or become apparent to Nationwide or increased which has or might reasonably be expected to adversely affect any member of the Wider Virgin Money Group in a way that is material to the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (iv) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider Virgin Money Group which in any case is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (v) no member of the Wider Virgin Money Group having conducted its business in breach of any applicable laws and regulations which is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (vi) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Virgin Money Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect which is material in the context of

the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;

No discovery of certain matters

- (l) save as Disclosed, Nationwide not having discovered:
 - (i) that any financial, business or other information concerning the Wider Virgin Money Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Virgin Money Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading, and which was not subsequently corrected before the date of this announcement by disclosure either publicly or otherwise to Nationwide or its professional advisers, in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;
 - (ii) that any member of the Wider Virgin Money Group or partnership, company or other entity in which any member of the Wider Virgin Money Group has a significant economic interest and which is not a subsidiary undertaking of Virgin Money is subject to any liability (contingent or otherwise), other than in the ordinary course of business and in each case, to the extent material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition; or
 - (iii) any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider Virgin Money Group and which is material in the context of the Wider Virgin Money Group taken as a whole or in the context of the Acquisition;

Anti-corruption, economic sanctions, criminal property and money laundering

- (J) save as Disclosed, Nationwide not having discovered that:
 - (i) any:
 - (a) past or present member, director, officer or employee of the Wider Virgin Money Group, in connection with their position in the Wider Virgin Money Group, is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
 - (b) person that performs or has performed services for or on behalf of the Wider Virgin Money Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence

under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or

- (ii) any asset of any member of the Wider Virgin Money Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Virgin Money Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (iii) any past or present member, director, officer or employee of the Wider Virgin Money Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (a) any government, entity or individual in respect of which US, UK or EU persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or EU laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue and Customs; or
 - (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the United Kingdom, the EU or any of their respective member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law;
- (iv) any past or present member, director, officer or employee of the Wider Virgin Money Group, or any other person for whom any such person may be liable or responsible:
 - (a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;

- (c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
- (d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (v) any member of the Wider Virgin Money Group is or has been engaged in any transaction which would cause Nationwide or any member of the Wider Nationwide Group to be in breach of any law or regulation upon its offer of Virgin Money, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue and Customs, or any other relevant government authority.

For the purposes of these Conditions the “**Wider Virgin Money Group**” means Virgin Money and its subsidiary undertakings, associated undertakings and any other undertaking in which Virgin Money and/or such undertakings (aggregating their interests) have a significant interest and the “**Wider Nationwide Group**” means Nationwide and its subsidiary undertakings, associated undertakings and any other undertaking in which Nationwide and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “**subsidiary undertaking**” and “**undertaking**” have the meanings given by the Companies Act, “**associated undertaking**” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and “**significant interest**” means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act).

PART B: FURTHER TERMS OF THE ACQUISITION

1. Subject to the requirements of the Panel and the Takeover Code, Nationwide reserves the right in its sole discretion to waive:
 - (A) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, the General Meeting and the Court Hearing. If any such deadline is not met, Nationwide shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Virgin Money (or, as the case may be, the Panel) to extend the deadline in relation to the relevant Condition; and
 - (B) in whole or in part, all or any of the Conditions set out in paragraphs 3(B) and 4(A) to 4(J) (inclusive) of Part A of this Appendix 1. For the avoidance of doubt, Nationwide may not waive the Conditions set out in paragraphs 2(A)(i), 2(B)(i), 2(C)(i) and 3(A) of Part A of this Appendix 1.
2. Conditions 2(A) and 2(B) and Conditions 3 and 4 (inclusive) must each be satisfied or (if capable of waiver) be waived by Nationwide by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing. Nationwide shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions set out in paragraphs 3(B) and 4(A) to 4(J) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Condition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code, Nationwide may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Nationwide in the context of the Acquisition. Conditions 1, 2(A), 2(B), 2(C) and 3(A) of Part A of this Appendix 1, and if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code. Nationwide may only invoke a Condition that is subject to Rule 13.5(a) with the consent of the Panel and any Condition that is subject to Rule 13.5(a) may be waived by Nationwide.
4. If Nationwide is required by the Panel to make an offer for Virgin Money Shares under the provisions of Rule 9 of the Takeover Code, Nationwide may make such alterations to any of the above Conditions and the terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
5. Nationwide reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent (where necessary) and the terms of the Co-operation Agreement). In such an event, the Acquisition will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the Virgin Money

Shares to which such Takeover Offer relates (or such lesser percentage as Nationwide and Virgin Money may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the Virgin Money Shares), or any amendments required by, or deemed appropriate by, Nationwide under applicable law or any amendments necessary to reflect the Takeover Offer) as those that would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Virgin Money Shares are otherwise acquired, it is the intention of Nationwide to apply the provisions of the Companies Act to acquire compulsorily any outstanding Virgin Money Shares to which such Takeover Offer relates.

6. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
7. Virgin Money Shares which will be acquired pursuant to the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) by reference to a record date after the Effective Date.
8. If, on or after the date of this announcement and before the Effective Date, other than the FY2024 Dividend and any repurchases of Virgin Money Shares by Virgin Money pursuant to the Buyback Programme, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Virgin Money or becomes payable by Virgin Money in respect of the Virgin Money Shares, Nationwide reserves the right (without prejudice to any right of Nationwide, with the consent of the Panel, to invoke the Condition set out in paragraph 4(G)(iii) of Part A to this Appendix 1) to reduce the Consideration that would be payable under the terms of the Acquisition for the Virgin Money Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Virgin Money Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value to which they are entitled. Any exercise by Nationwide of its rights referred to in this paragraph 8 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
9. The Acquisition will be governed by the laws of England and Wales and be subject to the jurisdiction of the English Courts and to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange (including pursuant to the Listing Rules) and the Registrar of Companies.
10. The Acquisition will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex,

telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of, any Restricted Jurisdiction.

11. The availability of the Acquisition to persons not resident in the United Kingdom or Australia may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Australia should inform themselves about and observe any applicable requirements.

APPENDIX 2

BASES AND SOURCES

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

1. Virgin Money's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 1,321,821,274 Virgin Money Shares, calculated as:
 - 1,296,012,374 Virgin Money Shares in issue as at 20 March 2024 (being the Latest Practicable Date before this announcement); plus
 - 29,376,322 Virgin Money Shares which may be issued on or after the date of this announcement pursuant to Virgin Money Share Plans; less
 - 3,567,422 Virgin Money Shares as at the Latest Practicable Date, held by the employee benefit trusts operated by the Virgin Money Group that can be used to satisfy the exercise of options and vesting of awards granted under the Virgin Money Share Plans.
2. References to proportions of Virgin Money's share capital in this announcement are with respect to the issued ordinary share capital as at the close of business on the Last Practicable Date.
3. The premium calculations to the price per Virgin Money Share used in this announcement have been calculated based on the total value of 220 pence per Virgin Money Share, and by reference to:
 - the Closing Price on 6 March 2024 (being the last Business Day before the commencement of the Offer Period) of 159.1 pence per Virgin Money Share; and
 - the three-month volume weighted average Closing Price of 157.5 pence per Virgin Money Share as at 6 March 2024.
4. A value of approximately £2.9 billion for the entire issued and to be issued share capital of Virgin Money is based on:
 - the total value of 220 pence per Virgin Money Share; and
 - Virgin Money's fully diluted issued ordinary share capital of 1,321,821,274 Virgin Money Shares, as set out in paragraph 1 above.
5. Unless otherwise stated, the Closing Price of Virgin Money Shares has been sourced from the London Stock Exchange Daily Official List and the volume weighted average Closing Price of Virgin Money Shares has been derived from Bloomberg.
6. Unless otherwise stated, balance sheet financial information relating to the Virgin Money Group has been extracted (without material adjustment) from the annual report and audited accounts of the Virgin Money Group for the 12 months ended 30 September 2023

and balance sheet financial information relating to Nationwide has been extracted (without material adjustment) from the unaudited consolidated financial statements of Nationwide for the 6 months ended 30 September 2023.

7. In paragraph 6 of this announcement, the implied multiple of 0.7x Virgin Money's tangible book value as at 31 December 2023 is based on:
 - the total value of 220 pence per Virgin Money Share under the Acquisition; and
 - tangible net asset value ("**TNAV**") per Virgin Money Share of 337 pence as at 31 December 2023 (as set out in Virgin Money's Q1 FY2024 trading update on 6 February 2024).
8. In paragraph 6 of this announcement, the multiple of 0.5x Virgin Money's tangible book value over the period from 15 October 2018 to 6 March 2024 is calculated as the median multiple over this period based on:
 - daily Closing Price per Virgin Money Share during this period, derived from FactSet; and
 - for each Business Day, the most recently reported TNAV per Virgin Money share as reported by Virgin Money in its quarterly, interim and annual financial results over the period.
9. The information regarding the estimated pro-forma capital, liquidity and leverage position of the Combined Group, as set out in paragraph 13 of this announcement, represents unaudited estimates prepared by Nationwide using relevant information relating to Nationwide and Virgin Money as at 30 September 2023, adjusted to reflect relevant estimated Acquisition-related costs, including the payment of the exit fee to Virgin Enterprises in respect of the termination of the TMLA and Nationwide management's unaudited estimates of the position as at 30 September 2024, and Acquisition-related adjustments, including expected fair value and credit adjustments. These estimates have been prepared for illustrative purposes only and, by their nature, they do not necessarily represent the actual positions which will exist following Completion.
10. Certain figures included in this announcement have been subject to rounding adjustments.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS

From Virgin Money Directors as shareholders

The following Virgin Money Directors have each given an irrevocable undertaking to vote (or procure the voting, as applicable) in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (save for Sara Weller whose irrevocable undertaking excludes the Virgin Resolution), or to accept, or procure the acceptance of, the Takeover Offer (if the Acquisition is implemented as a Takeover Offer), in respect of their beneficial holdings of Virgin Money Shares:

Name	Number of Virgin Money Shares in respect of which undertaking is given	Percentage of Virgin Money's issued share capital
Clifford Abrahams	254,176	0.02%
David Bennett	40,388	0.00%
David Duffy	1,585,518	0.12%
Geeta Gopalan	7,932	0.00%
Darren Pope	11,785	0.00%
Tim Wade	20,505	0.00%
Sara Weller	25,000	0.00%
Total	1,945,304	0.15%

The irrevocable undertakings given by Virgin Money Directors will cease to be binding, inter alia:

- if the Scheme Document or Offer Document (as the case may be) has not been posted within 28 days of the issue of the announcement (or within such longer period as Nationwide and Virgin Money, with the consent of the Panel determines), provided that if the Acquisition was initially being implemented by way of a Scheme, and Nationwide elects to exercise its right to implement the Acquisition by way of a Takeover Offer or vice versa, such time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
- on the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, provided that this shall not apply where the Acquisition is withdrawn or lapses as a result of Nationwide

exercising its right, in accordance with the Takeover Code, to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;

- if Nationwide announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced by Nationwide in accordance with Rule 2.7 of the Takeover Code at the same time;
- any third party offer for the Virgin Money Shares is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective; or
- the Acquisition has not become effective in accordance with its terms, or been declared unconditional, by the Long Stop Date.

From Virgin Group and Vieco Investments

In addition to the Virgin Money Directors, Virgin Group and Vieco Investments have each given to Nationwide an irrevocable undertaking to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Acquisition Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of their beneficial holdings of Virgin Money Shares:

Name	Number of Virgin Money Shares in respect of which undertaking is given	Percentage of Virgin Money's issued share capital
Virgin Group	188,083,550	14.5%
Vieco Investments	768,823	0.1%
Total	188,852,373	14.6%

The irrevocable undertakings given by Virgin Group and Vieco Investments will cease to be binding, inter alia:

- if the Scheme Document or Offer Document (as the case may be) has not been posted on or before 30 April 2024 (or within such longer period as Nationwide and (only in relation to the Scheme Document) Virgin Money, with the consent of the Panel agree), provided that if the Acquisition was initially being implemented by way of a Scheme, and Nationwide elects to exercise its right to implement the Acquisition by way of a Takeover Offer or vice versa, such time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
- on the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, provided that this shall not apply where the Acquisition is withdrawn or lapses as a result of Nationwide

exercising its right, in accordance with the Takeover Code, to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;

- if the Scheme or the Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional in all respects (as the case may be), on or before the Long Stop Date, provided that this shall not apply where the Scheme or Takeover Offer failing to become effective, or to become or have been declared unconditional in all respects (as applicable), is as a result of Nationwide exercising its right, in accordance with the Takeover Code, to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;
- if Nationwide announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced by Nationwide in accordance with Rule 2.7 of the Takeover Code at the same time;
- if: (i) a third party announces a firm intention to make an offer for Virgin Money under Rule 2.7 of the Takeover Code (a “**Competing 2.7 Announcement**”) (whether by way of takeover offer or scheme of arrangement) which represents an improvement of at least 7.5 per cent. on the total Acquisition value of 220 pence per share (a “**Competing Offer**”); and (ii) following such Competing 2.7 Announcement, Virgin Money announces that the Virgin Money Board withdraws, qualifies or adversely modifies its recommendation of the Acquisition; or
- upon any Competing Offer becoming or being declared unconditional in all respects or otherwise becoming effective.

APPENDIX 4

DEFINITIONS

“Acquisition”	the acquisition of the entire issued and to be issued share capital of Virgin Money by Nationwide to be implemented by way of the Scheme or, should Nationwide so elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof
“Acquisition Resolution(s)”	the Resolutions excluding the Virgin Resolution
“Articles”	the articles of association of Virgin Money from time to time
“ASX”	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires;
“Blocking Law”	(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or (ii) any similar blocking or anti-boycott law
“Business Day”	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London, England
“Buyback Programme”	the £150 million share buyback programme announced on 23 November 2023 by Virgin Money on the London Stock Exchange and the ASX
“CDI Voting Instruction Form”	the voting instruction form for use by Virgin Money CDI Holders in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
“CDN”	CHESS Depository Nominees Pty Limited
“CHESS”	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd
“Clean Team Agreement”	the clean team agreement entered into between Nationwide and Virgin Money dated 15 March 2024, a summary of which is set out in paragraph 16 of this announcement
“Clean Team and Joint Defence Agreement”	the clean team and joint defence agreement entered into between Nationwide, Virgin Money and their respective external counsel dated 4 March 2024, a summary of which is set out in paragraph 16 of this announcement
“Closing Price”	the closing middle market quotation for a Virgin Money Share on the day to which such price relates, derived from Bloomberg
“Clydesdale Bank”	Clydesdale Bank PLC, a public limited company incorporated in Scotland with registered number SC001111 and whose

registered office is at 177 Bothwell Street, Glasgow, Scotland, G2 7ER

“CMA”	the Competition and Markets Authority or any successor regulatory authority
“Combined Group”	the Nationwide Group, including the Virgin Money Group, following the Acquisition becoming Effective
“Companies Act”	the Companies Act 2006, as amended from time to time
“Completion”	the Acquisition becoming Effective in accordance with its terms
“Conditions”	the conditions to which the Acquisition is subject, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
“Confidentiality Agreement”	the confidentiality agreement entered into between Nationwide and Virgin Money in relation to the Acquisition dated 29 February 2024, a summary of which is set out in paragraph 16 of this announcement
“Consideration”	the consideration of 218 pence in cash per Virgin Money Share payable by Nationwide to Virgin Money Shareholders pursuant to the Acquisition
“Co-operation Agreement”	the co-operation agreement entered into between Nationwide and Virgin Money dated 21 March 2024, a summary of which is set out in paragraph 16 of this announcement
“Court”	the High Court of Justice in England and Wales
“Court Hearing”	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act
“Court Meeting”	the meeting of Scheme Shareholders convened by order of the Court pursuant to section 899 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations))
“Dealing Disclosure”	has the meaning given in Rule 8 of the Takeover Code
“Disclosed”	(a) disclosed by, or on behalf of, Virgin Money in Virgin Money’s annual report and financial statements for the year ended 30 September 2023; (b) fairly disclosed prior to the date of this announcement by, or on behalf of, Virgin Money to Nationwide (or its respective officers, employees, agents or advisers in their capacity as such), including (without limitation) via the virtual data room operated on behalf of Virgin Money in respect of the Acquisition or via email;

(c) as otherwise publicly announced by Virgin Money prior to the date of this announcement (by delivery of an announcement to a Regulatory Information Service); or

(d) disclosed in this announcement

“Effective”

either:

(a) if the Acquisition is implemented by way of Scheme, the Scheme having become effective pursuant to its terms; or

(b) if the Acquisition is implemented by way of Takeover Offer, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code

“Effective Date”

the date on which the Acquisition becomes Effective in accordance with its terms

“EU”

European Union

“Excluded Shares”

any Virgin Money Ordinary Shares: (a) registered in the name of, or beneficially owned by any member of the Nationwide Group (or any person as nominee for any such member of the Nationwide Group); or (b) held by Virgin Money in treasury as at the Scheme Record Time

“FCA”

the Financial Conduct Authority or any successor regulatory authority

“Forms of Proxy”

the forms of proxy for use by Virgin Money Ordinary Shareholders in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document

“FSMA”

the Financial Services and Markets Act 2000, as amended from time to time

“FY”

a financial year of Virgin Money, ending on 30 September;

“General Meeting”

the general meeting of Virgin Money Shareholders to be convened to consider and, if thought fit, approve the Resolutions (with or without amendment) including any adjournment, postponement or reconvening thereof

“group undertaking”

has the meaning given in section 1161 of the Companies Act

“Independent Virgin Money Directors”

the Virgin Money Directors excluding Sara Weller

“Independent Virgin Money Shareholders”

the Virgin Money Shareholders excluding Virgin Group, any of its group undertakings and any person or undertaking under common control with Virgin Group (including Vieco Investments)

“J.P. Morgan Cazenove”

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove

“Last Practicable Date”

20 March 2024

“Listing Rules”

the rules and regulations made by the FCA under FSMA and contained in the publication of the same name, as amended

	from time to time or (as applicable) any set of rules and regulations replacing the same from time to time
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	31 January 2025 or such later date, if any, (a) as Nationwide and Virgin Money may agree, or (b) (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that (if so required) the Court may allow
“Market Abuse Regulation”	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
“Meetings”	the Court Meeting and the General Meeting
“Nationwide”	Nationwide Building Society, a building society authorised by the PRA and regulated by the FCA and the PRA under registration number 106078
“Nationwide Board”	the board of directors of Nationwide
“Nationwide Group”	Nationwide and its group undertakings from time to time
“Offer Document”	should the Acquisition be implemented by means of the Takeover Offer, the document to be sent to Virgin Money Shareholders which will contain, amongst other things, the terms and conditions of the Takeover Offer
“Offer Period”	the offer period (as defined in the Takeover Code) relating to Virgin Money which commenced on 7 March 2023
“Official List”	the official list maintained by the FCA pursuant to Part 6 of FSMA
“Opening Position Disclosure”	has the meaning given in Rule 8 of the Takeover Code
“Overseas Shareholders”	Virgin Money Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“PRA”	the Prudential Regulation Authority as defined in FSMA or any successor regulatory authority
“Registrar of Companies”	the registrar of companies in England and Wales
“Resolutions”	the resolutions to be proposed at the General Meeting in connection with the implementation of the Acquisition, including, amongst other things, to make certain amendments to the Articles and the Virgin Resolution
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Virgin Money Shareholders in that jurisdiction
“Scheme”	the proposed scheme of arrangement under Part 26 of the Companies Act between Virgin Money and Scheme Shareholders to implement the Acquisition

"Scheme Convening Hearing"	the hearing of the Court to give permission to Virgin Money to convene the Court Meeting;
"Scheme Document"	the document to be dispatched to Virgin Money Shareholders and other persons with information rights setting out, amongst other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing notices convening the Meetings
"Scheme Record Time"	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the day of the Court Hearing, or such other time as Nationwide and Virgin Money may agree
"Scheme Shareholder"	a holder of Scheme Shares
"Scheme Shares"	all Virgin Money Ordinary Shares (including, for the avoidance of doubt, those Virgin Money Ordinary Shares underlying Virgin Money CDIs): <ul style="list-style-type: none"> (a) in issue at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>but excluding any Excluded Shares</p>
"subsidiary"	has the meaning given in section 1159 of the Companies Act
"subsidiary undertaking"	has the meaning given in section 1162 of the Companies Act
"Takeover Code"	the City Code on Takeovers and Mergers, as amended from time to time
"Takeover Offer"	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Nationwide to acquire the entire issued and to be issued share capital of Virgin Money and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
"TMLA"	the brand licence agreement between Virgin Money and Virgin Enterprises, to which Virgin Money became a party on 18 June 2018
"TMLA Amendment Agreement"	the agreement entered into between Nationwide and Virgin Enterprises on 7 March 2024 (as amended by a side letter dated 21 March 2024) pursuant to which the parties have agreed to procure that a deed of amendment in respect of the TMLA is entered into shortly following Completion
"UBS"	UBS AG, London Branch
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland

“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“Vieco Investments”	Vieco Investments Limited, a company limited by shares incorporated in the British Virgin Islands with registered number 1875318 and whose registered office is at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands, VG 1110, controlled by Sir Richard Branson
“Virgin Enterprises”	Virgin Enterprises Limited, a private limited company incorporated in England and Wales with registered number 01073929 and whose registered office is at 66 Porchester Road, London, United Kingdom, W2 6ET
“Virgin Group”	Virgin Group Holdings Limited, a company limited by shares incorporated in the British Virgin Islands with registered number 650373 and whose registered office is at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands, VG 1110
“Virgin Money”	Virgin Money UK PLC, a public limited company incorporated in England and Wales with registered number 09595911 and whose registered office is at Jubilee House, Gosforth, Newcastle Upon Tyne, England, NE3 4PL
“Virgin Money Board”	the board of directors of Virgin Money
“Virgin Money CDIs”	CHESS Depository Interests of Virgin Money, each representing a unit of beneficial ownership in one Virgin Money Ordinary Share, registered in the name of the depository nominee, CDN, and which are listed on the ASX
“Virgin Money CDI Holders”	the holders of Virgin Money CDIs
“Virgin Money Directors”	the directors of Virgin Money as at the date of this announcement
“Virgin Money Group”	Virgin Money and its group undertakings from time to time
“Virgin Money Ordinary Shareholders”	the holders of Virgin Money Ordinary Shares
“Virgin Money Shareholders”	Virgin Money Ordinary Shareholders and Virgin Money CDI Holders, unless the context requires otherwise
“Virgin Money Share Plans”	the Virgin Money UK plc Long Term Incentive Plan, the Virgin Money Deferred Equity Plan, the Virgin Money Share Incentive Plan, the Virgin Money Deferred Bonus Share Plan and the Virgin Money Long Term Incentive Plan
“Virgin Money Ordinary Shares”	the ordinary shares of 10 pence each in the capital of Virgin Money
“Virgin Money Shares”	Virgin Money Ordinary Shares and Virgin Money CDIs, unless the context requires otherwise
“Voting Record Time”	6.00 p.m. on the day falling two Business Days prior to the Court Meeting or any adjournment thereof (as the case may be)

“Virgin Red”

Virgin Red Limited, a private limited company incorporated in England and Wales with registered number 09595911 and whose registered office is at 66 Porchester Road, London, United Kingdom, W2 6ET

“Virgin Red Exclusivity Agreement”

the exclusivity agreement entered into between Nationwide and Virgin Red on 21 March 2024, a summary of which is set out in paragraph 4 of this announcement

“Virgin Resolution”

the ordinary resolution to be put to the Independent Virgin Money Shareholders in relation to the TMLA Amendment Agreement (including the amendment of the TMLA to be effected pursuant to it) and the Virgin Red Exclusivity Agreement for the purposes of Note 2 on Rule 16.1 of the Takeover Code

All times referred to are London time unless otherwise stated.