

Notice to Noteholders - Consent Solicitations

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 Virgin Money UK PLC
 12 February 2021

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THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING IN RESPECT OF ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL, TAX OR LEGAL ADVISER.

Virgin Money UK PLC

(incorporated with limited liability in England and Wales, registered number 09595911)

(the "Issuer")

Legal Entity Identifier (LEI): 213800ZK9VGCYYR6O495

to all holders of the outstanding securities listed in the table on the following page

(each a "Series" and, together, the "Notes", and the holders thereof, the "Holders") of the Issuer presently outstanding

The Issuer has today given a Notice of separate meetings of the Holders (the "**Notice of the Meetings**") in respect of the Notes for the purpose of soliciting consent from the Holders to the modification of the terms and conditions (the "**Conditions**") of the relevant Series and consequential or related amendments to the relevant Trust Deed for the relevant Series of Notes such that: **(A)** in the case of the AT1 Notes and 2026 Senior Notes (each as defined below), (i) upon the occurrence of an Index Cessation Event in respect of the six-month sterling London Inter Bank Offered Rate ("**LIBOR**"): (a) the relevant LIBOR linked mid-swap rate is replaced by a Sterling Overnight Index Average ("**SONIA**") linked mid-swap rate; (b) an adjustment is made to reflect the economic difference between the LIBOR and SONIA rates (using the methodology for such adjustments contained in Supplement number 70 to the 2006 ISDA Definitions, as amended or supplemented from time to time (the "**ISDA IBOR Fallback Supplement**")) and (c) the margin applicable to each such Series of Notes remains unaltered; (ii) new fallbacks relating to SONIA are included; and (iii) in the case of the AT1 Notes, further new fallbacks are included if a Benchmark Event occurs or there is a Successor Rate (in each case, as defined in the consent solicitation memorandum dated 12 February 2021 (the "**Consent Solicitation Memorandum**") with respect to SONIA (or LIBOR, if the relevant Index Cessation Event has not occurred) and in the case of the 2026 Senior Notes, the existing Benchmark Event fallbacks are amended to (i) include additional trigger events in line with market practice and (ii) update the process for determining an adjustment rate in line with the other securities issued by the Issuer (and the fallbacks proposed for the other Notes as part of these Consent Solicitations (as defined below)) or **(B)** in the case of the 2025 Senior Notes (as defined below), (i) upon the occurrence of an Index Cessation Event in respect of six-month sterling LIBOR: (a) LIBOR is replaced by SONIA for the purposes of the floating rate provisions of the Notes; (b) an adjustment is made to reflect the economic difference between the LIBOR and SONIA rates (using the methodology for such adjustments contained in the ISDA IBOR Fallback Supplement); (c) the margin applicable to such Series remains unaltered; (ii) new fallbacks relating to SONIA are included; and (iii) further new fallbacks are included if a Benchmark Event occurs or there is a Successor Rate with respect to SONIA (or LIBOR, if the Index Cessation Event has not occurred), as proposed by the Issuer in relation to the respective Series, for approval by a separate extraordinary resolution of the Holders of each such Series (each an "**Extraordinary Resolution**"), all as further described in the Consent Solicitation Memorandum (each such invitation a "**Consent Solicitation**" and together, the "**Consent Solicitations**").

In light of the ongoing developments in relation to the Coronavirus (COVID-19), and current guidance issued by the UK Government, it may become impossible or inadvisable to hold each relevant Meeting at a physical location. Accordingly, in accordance with the provisions of the relevant Trust Deed, the Issuer has requested that the Trustee prescribes appropriate regulations regarding the holding of the relevant Meeting via teleconference. Each separate Meeting convened by the Issuer will be held by teleconference platform on 8 March 2021. The Issuer will take appropriate steps to ensure that only those who would otherwise be entitled to attend and vote at a physical meeting will be entitled to attend the teleconference.

No consent fee will be payable in connection with any Consent Solicitation.

THE NOTES

ISIN	Description	Outstanding principal amount	Trustee	Principal Paying Agent	Registrar
XS1637124741	3.125 per cent. Fixed-to-Floating Rate Callable	£300,000,000	Citicorp	Citibank,	N/A

ISIN	Description	Outstanding principal amount	Trustee	Principal Paying Agent	Registrar
	Senior Notes due 2025 (the "2025 Senior Notes")		Trustee Company Limited	N.A., London Branch	
XS1813150247	3.375 per cent. Fixed Rate Reset Callable Senior Notes due 24 April 2026 (the "2026 Senior Notes")	£350,000,000	Citicorp Trustee Company Limited	Citibank, N.A., London Branch	Citibank, N.A., London Branch
XS1346644799	8 per cent. Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes (the "8% AT1 Notes")	£450,000,000	Citicorp Trustee Company Limited	Citibank, N.A., London Branch	Citigroup Global Markets Europe AG
XS1516312409	Fixed Rate Resettable Additional Tier 1 Securities (the "8.750% AT1 Notes" and, together with the 8% AT1 Notes, the "AT1 Notes")	£230,000,000	Citicorp Trustee Company Limited	Citibank, N.A., London Branch	Citibank, N.A., London Branch

(The 2025 Senior Notes, 2026 Senior Notes, 8% AT1 Notes and 8.750% AT1 Notes, together, the "Notes")

1. NOTICE OF THE MEETINGS IN RESPECT OF THE NOTES

The Notice of the Meetings will be available for viewing at the following website:

http://www.rns-pdf.londonstockexchange.com/rns/95720_1-2021-2-12.pdf

2. INDICATIVE TIMETABLE FOR THE CONSENT SOLICITATIONS

Set out below is an indicative timetable showing one possible outcome for the timing of the Consent Solicitations, which will depend, among other things, on timely receipt (and non-revocation) of instructions, the rights of the Issuer (where applicable) to extend, waive any condition of, amend and/or terminate any Consent Solicitations (other than the terms of the relevant Extraordinary Resolution) as described in the Consent Solicitation Memorandum and the passing of each Extraordinary Resolution at the initial Meeting for the relevant Series. Accordingly, the actual timetable may differ significantly from the timetable below.

Date/Time	Action
12 February 2021	1. Announcement of Consent Solicitations
<i>(At least 21 clear days before the Meeting)</i>	<p>Notice of the Meetings to be delivered to the Clearing Systems.</p> <p>Notice of the Meetings released through the regulatory news service of the London Stock Exchange in respect of the Senior Notes and the 8.750% AT1 Notes.</p> <p>Notice of the Meetings released on the website of the Irish Stock Exchange in respect of the 8% AT1 Notes.</p> <p>Notice of the Meetings released on the website of the Luxembourg Stock Exchange in respect of the 8.750% AT1 Notes.</p> <p>Electronic copies of the Consent Solicitation Memorandum to be available from the Tabulation Agent and electronic copies of the Holder Information (as defined in the Notice of the Meetings) to be available upon request from the Principal Paying Agent.</p> <p>From this date, Holders may arrange for Notes held by Euroclear and/or Clearstream, Luxembourg in their accounts to be blocked in such accounts and held to the order and under the control of the relevant Registrar or the Principal Paying Agent (in the case of the 2025 Senior Notes) in order to obtain a form of proxy (or a document to that effect) or give valid Consent Instructions or Ineligible Holder Instructions to the Tabulation Agent.</p> <p>Expiration Deadline</p>
By 5.00 p.m. (London time) (6.00 p.m. CET) on 3 March 2021	2. Final time by which Holders have arranged for:
<i>Not less than 48 hours before the Meeting (other than with respect to the 8.75% AT1 Notes, exclusive of the day on which the Meeting is held)</i>	<p>(i) obtaining a form of proxy (or a document to that effect) from the relevant Registrar or the Principal Paying Agent (in the case of the 2025 Senior Notes) in order to attend (via teleconference) and vote at the relevant Meeting; or</p> <p>(ii) receipt by the Tabulation Agent of valid Consent Instructions or Ineligible Holder Instructions in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg.</p> <p>This will also be the deadline for making any other arrangements to attend (via teleconference) or be represented or to vote at the relevant Meeting.</p>
	3. Final time by which Holders have given notice to the Tabulation Agent (via the relevant Clearing Systems) of any intended revocation of, or amendment to,

Date/Time	Action
	Consent Instructions or Ineligible Holder Instructions previously given by them.
From 10.00 a.m. (London time) (11.00 a.m. CET) 8 March 2021	<p>4. Holders' Meetings Held</p> <p>The initial Meeting in respect of:</p> <p>(i) 2025 Senior Notes will commence at 10.00 a.m. (London time) (11.00 a.m. CET);</p> <p>(ii) 2026 Senior Notes will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the 2025 Senior Notes Meeting (whichever is later);</p> <p>(iii) 8% AT1 Notes will commence at 10.30 a.m. (London time) (11.30 a.m. CET) or after the completion of the 2026 Senior Notes Meeting (whichever is later); and</p> <p>(iv) 8.750% AT1 Notes will commence at 10.45 a.m. (London time) (11.45 a.m. CET) or after the completion of the 8% AT1 Notes Meeting (whichever is later).</p>

If the relevant Extraordinary Resolution is passed at the relevant Meetings:

Announcement of results of Meetings

As soon as reasonably practicable after the Meetings 5. Announcement of (i) the results of the Meetings and (ii) if the relevant Extraordinary Resolution is passed, satisfaction (or not) of the Eligibility Condition released through the regulatory news service of the London Stock Exchange in respect of the Senior Notes and the 8.750% AT1 Notes, the website of the Irish Stock Exchange in respect of the 8% AT1 Notes and the website of the Luxembourg Stock Exchange in respect of the 8.750% AT1 Notes.

Delivery of notice of (i) the results of the Meetings and (ii) if the relevant Extraordinary Resolution is passed, satisfaction (or not) of the Eligibility Condition to the Clearing Systems for communication to their account holders.

Effective Date 6. If the relevant Extraordinary Resolution is passed at the relevant initial Meeting (or at a subsequent adjourned Meeting) and the Eligibility Condition is satisfied, the relevant Supplemental Trust Deed will be executed by the Issuer and the Trustee and the modifications to the Conditions of the relevant Series described in the Consent Solicitation Memorandum will be implemented with effect from the Effective Date.

If a quorum is not achieved at a Meeting or the quorum is achieved and the relevant Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, such Meeting shall be adjourned and the adjourned Meeting of Holders for that Series will be held at a date as will be notified to the Holders in the notice of the adjourned Meeting.

Any adjourned Meeting will be held in accordance with the terms of the relevant Trust Deed. If the relevant Extraordinary Resolution is passed at such adjourned Meeting and the Eligibility Condition is satisfied in respect of the relevant Series, the relevant Supplemental Trust Deed will be executed by the Issuer and the Trustee and the modifications with respect to such Series described in the Consent Solicitation Memorandum will be implemented on the Effective Date in each case subject to termination of the relevant Consent Solicitation as set out in the Consent Solicitation Memorandum. The results of any Meetings relating to one Consent Solicitation shall not have an effect on any other Consent Solicitation. The Effective Date is subject to change in the case of an adjourned meeting.

Holders are advised to check with any Clearing System, bank, securities broker or other intermediary through which they hold Notes when such Clearing System or intermediary would need to receive instructions from a Holders in order for that Holder to be able to participate in, or revoke their instruction to participate in, the relevant Consent Solicitation by the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission and revocation of Consent Instructions may be earlier than the relevant deadlines specified above.

Capitalised terms used but not defined herein shall have the meanings set out in the Consent Solicitation Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

Electronic copies of (i) the Consent Solicitation Memorandum, (ii) the Notice of the Meetings, (iii) the current drafts of each Supplemental Trust Deed and (iv) any other ancillary documents being provided pursuant to the relevant Proposal will be available for inspection by Holders, upon request from the date of this Notice from the Principal Paying Agent and the Tabulation Agent during normal business hours on any week day (public holidays excepted) up to and including the date of the relevant Meeting, provided that, in each case a Holder will be required to produce evidence satisfactory to the Principal Paying Agent or the Tabulation Agent (as applicable) as to his or her status as a Holder before being provided with copies of the Holder Information.

INVESTOR PRESENTATION

The Issuer has also prepared an investor presentation in connection with the Consent Solicitations. To access the presentation, please either:

- (i) go to <https://www.netroadshow.com/nrs/home#!/?show=a165778e>; or
- (ii) visit www.netroadshow.com and enter the deal entry code: Virginmoney2021 (not case-sensitive).

Holders should contact the following for further information:

The Solicitation Agent

NatWest Markets Plc (in its capacity as Solicitation Agent), 250 Bishopgate, London EC2M 4AA, United Kingdom
(Attention: Liability Management, Telephone: +44 20 7678 5222, Email: liabilitymanagement@natwestmarkets.com)

The Tabulation Agent

Lucid Issuer Services Limited, Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom
(Attention: Owen Morris, Telephone: +44 20 7704 0880, Email: virginmoney@lucid-is.com)

The Principal Paying Agent

Citibank, N.A., London Branch, Citigroup Centre, Canada Square, London E14 5LB, United Kingdom
(Attention: Agency and Trust, Email: ppayments@citi.com)

The Registrars

For the 2026 Senior Notes and 8.75% AT1 Notes:

Citibank, N.A., London Branch, Citigroup Centre, Canada Square, London E14 5LB, United Kingdom
(Attention: Agency and Trust, Email: ppayments@citi.com)

For the 8% AT1 Notes:

Citigroup Global Markets Europe AG, Agency & Trust Department, Reuterweg 16, 60323 Frankfurt am Main
(Attention: Agency and Trust, Telephone: +49 69 1366 1256)

This Notice is given by

Virgin Money UK PLC

Dated 12 February 2021

Announcement authorised for release by Lorna McMillan, Group Company Secretary.

DISCLAIMER: This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to any Consent Solicitation. If any Holder is in any doubt as to the action it should take or is unsure of the impact of the implementation of the Consent Solicitations or the relevant Extraordinary Resolution, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the relevant Consent Solicitation or otherwise vote in respect of the relevant Extraordinary Resolution. None of the Issuer, the Solicitation Agent, the Tabulation Agent, the Trustee, the relevant Registrar(s) or the Principal Paying Agent makes any recommendation whether Holders should participate in the relevant Consent Solicitation or otherwise vote in respect of the relevant Extraordinary Resolution.

Nothing in this announcement or the Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to purchase or sell any security in any jurisdiction. The distribution of this announcement and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law, and persons into whose possession this announcement or the Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.

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