

CYBG PLC

Board

Charter

Role	<p>The CYBG PLC Board (Board) is responsible for:</p> <ul style="list-style-type: none">• The long-term success of CYBG PLC (CYBG or Company) and its respective subsidiaries, including for the avoidance of doubt, Clydesdale Bank PLC (CB) and of its respective subsidiaries including Virgin Money Holdings (UK) plc and of its respective subsidiaries (together, the Group) and the delivery of sustainable value to its shareholders.• Overseeing the implementation of governance arrangements to ensure effective and prudent management of the Group in a manner that promotes the integrity of the market and interests of the Group's customers.• Providing entrepreneurial and ethical leadership of the Group and management within a framework of prudent and effective controls which enables risks to be assessed and managed.• Setting the Group's strategic aims ensuring that the necessary resources are in place for the Group to meet its objectives and regulatory requirements and review business and financial performance.• Setting and embedding the Group's culture, values and standards as between the members of the Board (Directors) and throughout the Group, ensuring that obligations to all stakeholders are understood and met.• Acting in the best interests of the shareholders and the Company and in accordance with the Directors' duties under UK law, including those set out in sections 171 to 177 of the Companies Act 2006.• Having due regard to the UKLA Listing Rules, Disclosure and Transparency Rules, the rules of the Australian Securities Exchange and any other regulated or public exchange on which the Group has obtained a listing or where the Group's securities are listed, best practice, principles of the UK Corporate Governance Code (Code) and any other relevant legal and regulatory requirements including Market Abuse Regulation.• Overseeing the application of Group policies and procedures adopted in accordance with this Charter throughout the Group.
Ring-fencing obligations	<p>Where waivers or modifications from the Prudential Regulation Authority (PRA) Ring-fenced Bodies Rulebook have been granted by the PRA to operate common Boards across CYBG PLC, CB and Virgin Money plc (VM), all ring-fencing obligations relating to Board composition, roles and independence criteria as defined in the Charter must be followed. For the avoidance of doubt, the Board shall ensure that any obligations with respect to ring-fencing applicable to the Group or to the Group's respective boards and their respective board members (for example, board</p>

CYBG PLC

Board

	composition and board independence) shall be met in the exercise of the Board's duties subject to applicable law and regulation and the Directors' duties.
Chair	<p>The Board Chairman is appointed by the Group Board and should on appointment meet the independence criteria set out in the Code.</p> <p>In the absence of the Chairman of the Board at any meeting, the Deputy Chair (DC) and/or Senior Independent Director (SID) will chair the meeting. In the absence of the Board Chairman and DC and/or SID, the remaining Board members present shall elect one of their number to chair the meeting.</p>
Members	The Board of Directors comprising of the Executive Directors, Chairman and Non-Executive Directors. It is the responsibility of the CYBG Governance & Nomination Committee to ensure that all relevant aspects of Board independence are met.
Attendees	<p>Other individuals may be invited to attend at the request of the Board Chairman, with the support of the Board.</p> <p>The Board Chairman, with the support of the Board, will determine which of the management team are appointed as standing attendees. The Secretary shall maintain a register of standing attendees that are appointed by the Board Chairman.</p>
Quorum	<p>The quorum shall be fixed by the Directors and unless so fixed at any other number shall be two in accordance with the Articles of Association of the Company.</p> <p>The Board Chairman shall have a casting vote.</p>
Meeting Frequency	Not less than six times per annum.
Secretary	Company Secretary or delegate.
Source of Authority	Company's shareholders, who appoint the Board of Directors and approve the Articles of Association and any amendments thereto.
Oversight and Responsibility	<p>Those matters which are reserved for the Board's approval and cannot be delegated are:</p> <p>Strategy and Management</p> <ul style="list-style-type: none">• Review and approve the Strategic Plan and Financial Plan of the Group (including Capital & Funding Plans) and any material amendments.• Responsibility for the overall leadership of the Group and setting of values and standards.• Approval of material acquisitions and disposals of assets and share acquisitions and disposals which are significant in terms of the Group's business.

Board

-
- Approval of material joint ventures, strategic partnership and alliances which are significant in terms of the Group's business.
 - Consider longer term strategic threats to the business operations of the Group.
 - Approve the Group's key financial objectives.
 - Review the capital and liquidity position of the Group.
 - Receive Performance Updates and review actual performance in light of the Group's Strategic Plan, Financial Plan, KPIs and budgets.
 - Approval of major capital projects or investments or material strategic contracts exceeding £20,000,000 on any single item (or directly related items) to be incurred by the Group
 - Review and consider high level reports on matters which is considers material to the Group as appropriate, in particular:
 - Relations with regulatory authorities
 - Health and safety
 - Information systems and technology
 - Insurance cover
 - Litigation and claims; and
 - Investor and public relations

Structure and Capital

- Consider and approve major changes to the Group's corporate structure including changes relating to the capital structure, share issues (other than in relation to employee share plans operated by the Group) and share buy backs (including the use of treasury shares) and the Group's management and control structure.
- Consider and, as appropriate, approve the Group's regulatory capital requirements and the basis for allocation of capital through the Financial Plan and the Internal Capital Adequacy Assessment Process.
- Review and as appropriate approve the Internal Liquidity Adequacy Assessment Process.
- Review and, as appropriate, approve the Recovery Plan and Resolution Plan and receive updates (as required) on the Group's recovery and resolution planning activities.
- Review and approve any amendments to the Company's existing listings or an additional listing on any public or regulated exchange and any change to its status as a public limited company.

With respect to the foregoing, it is recognised that certain operational decisions must be made by CB or VM, for example relating to the Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process.

Financial Reporting and Controls

Board

	<ul style="list-style-type: none">• Following recommendations from the CYBG Board Audit Committee (BAC) and the CYBG Board Risk Committee (BRC), approval of:<ul style="list-style-type: none">○ the Annual Reports and Accounts;○ the Pillar 3 Disclosure;○ the interim financial report and results and any preliminary announcement of the final results;○ material and significant statements issued to investors in the jurisdictions in which Group securities are listed or registered;○ the dividend policy and interim dividends and recommend final dividends to the shareholders;○ significant changes in the Group's accounting policies or practices;○ recommendations to shareholders of the appointment, re-appointment and removal of the external auditor of the Group (External Auditor); and○ the recommendation to shareholders of the remuneration of the External Auditor.• Without prior recommendation from the BAC, consider and approve quarterly trading updates. <p>Internal Controls and Risk Management</p> <ul style="list-style-type: none">• Following recommendations from the CYBG BAC or CYBG BRC as appropriate, approval of:<ul style="list-style-type: none">○ the Group's Risk Appetite Statement (RAS) and the Group's Risk Management Framework (RMF) and the Group's Policy Management Framework (PMF);○ the statement on internal controls and risk management for inclusion in the Annual Report and Accounts; and○ the appointment and dismissal of the Group Chief Risk Officer.• Receive reports on and review the effectiveness of the Group's risk and control processes.• Monitor performance of the Group against the approved RAS and RMF.• Consider the Group's Top and Emerging Risks and approve, as appropriate recommended action escalated by the BRC.• Oversight of the Group's Whistleblowing arrangements together with those for the detection of fraud and prevention of bribery. <p>Delegation of Authority</p> <ul style="list-style-type: none">• Approval of the Group's Delegated Authority Framework.• The establishment of CYBG Board committees and receiving minutes / reports for each CYBG Board Committee (defined below) on its activities and the approval of each com-
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Board

	<p>mittee's Charter. In the case of the Board Committees (defined below), non-material changes may be approved by the Chairman of that committee. Materiality will be a matter for decision of the Chairman of that committee.</p> <ul style="list-style-type: none">• As a minimum, the following Committees shall be established (Board Committees):<ul style="list-style-type: none">○ BAC;○ BRC;○ CYBG Board Governance and Nomination Committee; and○ CYBG Remuneration Committee. <p>Board and Committee Matters</p> <ul style="list-style-type: none">• Following recommendations from the CYBG Board Governance and Nomination Committee, approval of:<ul style="list-style-type: none">○ changes to the structure, size and composition of the Board;○ appointments to the Board. Fees for Board will be approved in accordance with the Remuneration Policy;○ appointment of a Senior Independent Director;○ membership and Chairmanship and the subsequent appointments;○ the re-appointment of Non-Executive Directors at the end of their term of office;○ recommendations for the election or re-election by the shareholders of Directors at the Company's AGM;○ the appointment and removal of the Company Secretary;○ the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Group or any of its subsidiaries, subject to applicable law and their service contract; and○ the independence of Non-Executive Directors.• Ensure, following recommendations from the CYBG Board Governance and Nomination Committee, that adequate succession arrangements for the members of the Board and senior management of the Group is in place in order to maintain an appropriate balance of skills, experience, independence, knowledge and diversity now and to ensure the progressive refreshing of the Board over the medium and longer term.• Approval of the division of responsibilities between the Board Chair and the Chief Executive Officer. <p>Remuneration</p> <ul style="list-style-type: none">• Following recommendations from the Remuneration Committee and subject always to applicable law and regulation, approval of:
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Board

	<ul style="list-style-type: none">○ the Group's remuneration strategy and Remuneration Policy (including remuneration packages of the Directors, Company Secretary and other Senior Executives) and make recommendation to the shareholders for approval of the Remuneration Policy as required;○ overall funding for annual salary reviews; and○ new share incentive arrangements or major changes to existing plans. <p>Corporate Governance</p> <ul style="list-style-type: none">• Following recommendations from the CYBG Board Governance and Nomination Committee, approval of:<ul style="list-style-type: none">○ the Group's Corporate Governance framework; and○ the Corporate Governance Report for inclusion in the Annual Report and Accounts.• Undertake an annual assessment of the Board's own performance, the Board Committees and the Directors.• Approval of conflicts of interest or potential conflicts of interest of Directors in accordance with the Company's Articles of Association. <p>Communication with Stakeholders</p> <ul style="list-style-type: none">• Ensure a satisfactory dialogue with stakeholders based on the mutual understanding of objectives.• Receive reports on the views of the Group's stakeholders.• Approval of arrangements for the Annual General Meeting (AGM) or any other General Meeting.• Approval of resolutions and corresponding documents to be put forward to shareholders at the AGM or other General Meeting.• Approval of any circulars, equity prospectuses, listing particulars or press releases and announcements concerning matters decided by the Board. <p>Policies</p> <ul style="list-style-type: none">• Review and approve key Group policies pursuant to the PMF. <p>Other</p> <ul style="list-style-type: none">• Approval of the arrangements for overall levels of insurance for the Group including Directors' and Officers' liability insurance.• Approval of any political donations.• Review and approve any major changes to the rules of the Group's pension scheme, changes of pension trustees as may be nominated by CB or changes in fund management arrangements.• Approval of any matter likely to have a material impact on the Company or the Group from any perspective, including,
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

CYBG PLC

Board

	but not limited to, financial, operational, strategic or reputational.
Reporting	<ul style="list-style-type: none">• The Board shall compile a statement on how it operates to be included in the Company's Annual Report and Accounts. The statement should include a high-level statement of which types of decisions are taken by the Board and which are delegated to management.• The Board shall make its Charter available to shareholders via the Company's website.
Relationship with Management	<ul style="list-style-type: none">• Day to day responsibility for the operation of the Group not specifically reserved for the Board or delegated to a Committee are delegated to the Chief Executive Officer and CYBG Leadership Team in accordance with the Delegation of Authority Framework, as approved by the Board.• Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate
Governance	<ul style="list-style-type: none">• To review its performance, that of its Chair and of each Board member on an annual basis,• The Charter shall be reviewed at least annually.• The Board shall have adequate access to information and shall determine the nature, amount, format and frequency of the information which it is to receive.• The Board shall have access to sufficient resources and the authority to seek any information it requires from employees of the Group, including the Company Secretary, or otherwise in order to fulfil its role and responsibilities.• The Board may obtain, at the Company's expense, any appropriate independent external expert advice on any matter it considers necessary to fulfil its role and responsibilities.