



Virgin Money UK PLC
Jubilee House
Gosforth
Newcastle upon Tyne
England
NE3 4PL

10 May 2024

VIRGIN MONEY – SHARE INCENTIVE PLAN

Dear Colleague

Recommended cash acquisition (the “Acquisition”) of Virgin Money UK PLC (“Virgin Money”) by Nationwide Building Society (“Nationwide”)

On 21 March 2024, the boards of Nationwide and Virgin Money announced that they had reached agreement on the terms of the Acquisition. On 22 April a Scheme Document was sent or made available to Virgin Money shareholders and, for information purposes only, to persons with information rights and participants in the Virgin Money Share Incentive Plan (the “SIP”) and other Virgin Money share plans, which contained some information on the effect of the Acquisition on SIP Shares and on outstanding awards granted under the other Virgin Money share plans.

This letter tells you more about the impact of the Acquisition on the Virgin Money shares you hold under the SIP.

In summary, as you own Virgin Money shares through the SIP, you have the opportunity, if you wish, to vote for or against the Acquisition. As the SIP Shares are held on your behalf by Computershare Trustees Limited (the “SIP Trustee”), to do this you need to instruct the SIP Trustee which way to vote. If you would like to instruct the SIP Trustee to vote in respect of your SIP Shares, please use Computershare's EquatePlus at <https://www.equateplus.com> to view the Court Meeting and General Meeting tasks under 'Your Tasks' and follow the onscreen instructions to register your vote as soon as possible. You need to submit your vote for each by no later than 17:00 on 13 May 2024. You do not need to take any other action (other than ensuring that your bank account details held within your EquatePlus account are up to date).

Assuming the Acquisition proceeds, all SIP Shares at the relevant time will then be acquired by Nationwide for 220 pence in cash for each Virgin Money Share. This is made up of 218 pence per Virgin Money Share in cash consideration to be paid as soon as practicable after the Acquisition completes and a proposed dividend of 2 pence per Virgin Money Share 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 of the Acquisition. You will receive your proceeds in cash. Please ensure that your bank account details are up to date. You can update or add your bank account details by clicking on 'Financial Details' under your name on your EquatePlus account. If you do not update your bank account details, your cash consideration will be

held by the SIP Trustee and you will receive an email alert informing you of the need to update your bank account details. Once you do this, your cash consideration will be sent to you.

At the back of this Letter, you will find a definitions section which explains the key defined terms used in this letter. A copy of this letter can also be found on Virgin Money's website at <https://www.virginmoneyukplc.com/investor-relations/announcements/accept/#section-2024>.

Questions

If you have any questions on the contents of this Letter, please contact Will Thompson at will.thompson@virginmoney.com but please be aware that no legal, tax, financial or investment advice on the Acquisition or the SIP can be provided by Virgin Money, Nationwide, the plan administrator Computershare nor any of their respective employees and nothing in this letter should be construed as legal, business, financial or tax advice.

Yours faithfully



Syreeta Brown
Group Chief People & Communications Officer

For and on behalf of
Virgin Money UK PLC

IMPACT ON YOUR SIP SHARES

1. How does the Acquisition affect my SIP Shares?

The SIP will continue as normal until completion of the Acquisition, meaning that you can continue to acquire SIP Shares in the normal way. Please note that if you increase your monthly contributions to the SIP between now and completion of the Acquisition, any additional SIP Shares that you obtain due to this increase may not qualify for tax relief on withdrawal from the SIP Trust. There is no tax impact in relation to SIP Shares acquired using your original level of contributions. You are free to stop or reduce your monthly contributions to the SIP at any time.

Any action that you take in relation to your SIP Shares will be subject to any applicable restrictions under the Virgin Money Securities Trading Policy (for example, if you are subject to a Close Period, you cannot change SIP contributions, stop SIP contributions or sell SIP Shares during such a Close Period).

If the Acquisition completes, the SIP Trustee will participate in the Scheme in the same way as other Virgin Money Shareholders which means your SIP Shares will automatically be sold to Nationwide for 220 pence in cash for each Virgin Money Share. This is made up of 218 pence per Virgin Money Share in cash consideration to be paid as soon as practicable after the Acquisition completes and a proposed dividend of 2 pence per Virgin Money Share 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 of the Acquisition. This is the same amount receivable by other Virgin Money Shareholders.

You should not have to pay any income tax, National Insurance ("NICs") or Capital Gains Tax ("CGT") on the 218 pence per Virgin Money Share when you sell your SIP Shares to Nationwide under the Acquisition (assuming that your SIP Shares are sold directly out of the SIP Trust to Nationwide). Assuming you qualify for the UK dividend allowance, income tax will only become payable if your total dividend income for the tax year from all sources exceeds the dividend allowance (£500 for 2024/25). However, if your total dividend income exceeds this annual allowance, you must settle any income tax due with HMRC following the end of the tax year and before the relevant payment deadline. Further information on this can be found on HMRC's website at <https://www.gov.uk/tax-on-dividends>.

The 218 pence per Virgin Money Share will be paid to you as soon as practicable after the Acquisition completes and Nationwide has paid the money to Virgin Money Shareholders for the Acquisition. The 2 pence dividend per Virgin Money Share will be paid to you as part of Virgin Money's ordinary course FY2024 dividend calendar or, if earlier, shortly prior to completion of the Acquisition. You do not need to take any further action in order to receive the payments other than ensuring that your bank account details held within your EquatePlus account are up to date.

2. How do I know how many SIP Shares I have?

You will find a summary of how many SIP Shares you hold under the "Share Incentive Plan" title on your "Overview" page on EquatePlus. If you are unsure how to use EquatePlus or are unable to access EquatePlus, you can take one of the following steps (i) submit a request in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, UK; (ii) call 0370 707 1181 from within the UK (or +44 (0)370 707 1181 if calling from outside the UK); or (iii) use the EquatePlus "HelpChat" function. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK 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). Please note that Computershare is

unable to give advice on the merits of the Acquisition or to provide any legal, financial, tax or investment advice.

3. Will I pay income tax and NICs on the withdrawal of my SIP Shares?

No. You should not have to pay any income tax or NICs on the 218 pence per Virgin Money Share when you sell your SIP Shares to Nationwide under the Acquisition (assuming that your SIP Shares are sold directly out of the SIP trust to Nationwide).

If you do not qualify for the dividend allowance, or you have already exceeded it for 2024-25, you will have to pay income tax on the 2 pence dividend per Virgin Money Share that you receive.

If the SIP Trustee is holding any residual cash for you which was deducted from your salary but was insufficient to buy a Virgin Money Share, the cash will be paid after deduction of income tax and NICs to you as soon as practicable after the Acquisition has completed.

The above assumes you are resident and domiciled in the UK at all relevant times. If you are, or have been, an international assignee and worked in more than one country your tax position may be different to that described above. This information does not constitute tax advice and the tax treatment in respect of your SIP Shares will depend on your particular individual circumstances. If you have any questions about your tax position, you are strongly advised to take independent financial and/or tax advice.

4. Will I be liable to CGT?

You will not have to pay any CGT when you sell your SIP Shares to Nationwide under the Acquisition, assuming that your SIP Shares are sold directly out of the SIP Trust to Nationwide.

5. When will I receive my cash consideration?

The 218 pence per Virgin Money Share will be paid to you as soon as practicable after the Acquisition completes and Nationwide has paid the money to Virgin Money Shareholders for the Acquisition. An announcement will be made in due course regarding the timing of completion of the Acquisition and settlement of the consideration. Computershare will receive the sale proceeds on your behalf and will then issue your relevant proceeds to you, via EquatePlus, to your registered bank details. Please ensure that your bank account details are up to date. You can update or add your bank account details by clicking on 'Financial Details' under your name on your EquatePlus account.

The 2 pence dividend per Virgin Money Share will be paid to you as part of Virgin Money's ordinary course FY2024 dividend calendar or, if earlier, shortly prior to completion of the Acquisition.

6. Will the SIP continue to operate if the Acquisition takes effect?

No. If the Acquisition takes effect, the SIP will not continue. You will be notified of the amount of any cash proceeds due to you along with any uninvested contributions, as soon as practicable after the Acquisition has completed.

7. What happens to the SIP before the Acquisition completes?

The SIP will continue to operate as normal until the Acquisition completes.

8. What happens under the other Virgin Money share plans?

If you also participate in any of the other Virgin Money share plans you will receive separate letters about the effect of the Acquisition on your awards in due course. Please read those letters carefully.

9. What happens if I leave employment with the Virgin Money Group?

If you cease to be an employee of the Virgin Money Group before the Acquisition completes, you cannot continue to participate in the SIP.

What happens to your SIP Shares will depend on several factors, including: (a) why you leave; and (b) how long you have held those SIP Shares. You will be provided with more details at the time you leave Virgin Money.

ACQUISITION SUMMARY

1. How does the Acquisition work?

The Acquisition will be carried out through what is called a "scheme of arrangement". The Scheme has to be approved by Virgin Money Shareholders and the Court. If you want to read more about this, please go to <https://www.virginmoneyukplc.com/investor-relations/announcements/accept/#section-2024> on the Virgin Money website where you will find the Scheme Document about the Acquisition that was sent or made available to Virgin Money Shareholders on 22 April 2024. The notices of Court Meeting and General Meeting, which contain full details of the resolutions to be proposed at the Court Meeting and the General Meeting, are also contained in the Scheme Document. A copy of this Letter is also available on the same Virgin Money website.

2. Do I have the right to vote on the Acquisition?

As you are the beneficial owner of the SIP Shares held on your behalf by the SIP Trustee, you may instruct the SIP Trustee how to vote on the Acquisition in relation to those Virgin Money Shares at the Court Meeting and the General Meeting.

If you would like to instruct the SIP Trustee to vote in respect of your SIP Shares, please use Computershare's EquatePlus, via the EquatePlus link on page 1 of this Letter, to view the Court Meeting and General Meeting tasks under 'Your Tasks' and follow the onscreen instructions to register your vote as soon as possible. Please refer to the General Meeting task for the deadline in which you need to submit your vote.

If you take no action, or if you miss the deadline, the SIP Trustee will not vote your SIP Shares. The Scheme will be approved (or not) by Virgin Money Shareholders at the Court Meeting and the General Meeting based on the votes of those Virgin Money Shareholders who do vote (but there is no need physically to attend the Court Meeting or the General Meeting to vote). This will not affect the sale of your SIP Shares under the Acquisition; assuming the Acquisition proceeds, they will still be sold to Nationwide and you will still receive the consideration to which you are entitled.

3. What can Virgin Money Shareholders receive under the Acquisition?

For each Virgin Money Share sold to Nationwide through the Scheme, a Virgin Money Shareholder will receive 220 pence in cash for each Virgin Money Share they own. This is made up of 218 pence per Virgin Money Share in cash consideration to be paid as soon as practicable after the Acquisition completes and a proposed dividend of 2 pence per Virgin Money Share 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 of the Acquisition.

4. When will the Acquisition take place?

The timing for the Acquisition completing (known as the Effective Date) will be the day after the Court Order, which is expected to be before the end of calendar Q4, 2024. **This is an estimated time-frame, so please do not rely on the Scheme taking place before the end of calendar Q4, 2024 or at all.**

Computershare will send a follow-up email notification, once the Effective Date is known.

5. What will happen if the Acquisition does not complete?

If the Acquisition does not complete the SIP will continue unaffected as before and your SIP Shares will continue to be held on your behalf in the SIP Trust.

DEFINITIONS

"Acquisition"	the proposed recommended cash acquisition by Nationwide of the entire issued and to be issued ordinary share capital of Virgin Money by means of the Scheme
"CGT"	capital gains tax
"Close Period"	has the same meaning as in the Virgin Money Securities Trading Policy
"Court Meeting"	the meeting of the holders of "Scheme Shares" (as defined in the Scheme Document convened with the permission of the Court) to seek approval of the Scheme
"Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act 2006
"Court"	the High Court of Justice in England and Wales
"Effective Date"	the date on which the Scheme becomes effective in accordance with its terms
"General Meeting"	the meeting of Virgin Money Shareholders to seek approval of: (i) a special resolution to authorise the directors of Virgin Money to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; including amendments to the articles of association of Virgin Money; (ii) an ordinary resolution to approve an amendment and restatement of the existing brand licence agreement between Virgin Money and Virgin Enterprises Limited and a new exclusivity agreement entered into between Nationwide and Virgin Red Limited; and (iii) an ordinary resolution to approve amendments to the directors' remuneration policy
"Letter"	the letter dated 10 May 2024 from Virgin Money explaining the impact of the Acquisition on SIP Shares under the SIP
"Nationwide"	Nationwide Building Society, a building society authorised by the PRA and regulated by the FCA and the PRA under registration number 106078
"NICs"	National Insurance Contributions
"Scheme Document"	the document dated 22 April 2024 sent or made available to Virgin Money Shareholders to explain the Scheme
"Scheme"	the scheme of arrangement proposed to be made under Part 26 of the Companies Act 2006 to effect the Acquisition between Virgin Money and the Virgin Money Shareholders, as set out in the Scheme Document
"SIP Shares"	the Virgin Money Shares held under the SIP by the SIP Trustee
"SIP Trust"	the Virgin Money Share Incentive Plan trust
"SIP Trustee"	Computershare Trustees Limited as trustee of the SIP Trust
"SIP"	the Virgin Money Share Incentive Plan
"Virgin Money Board"	the directors of Virgin Money as at the date of this Letter
"Virgin Money Group"	Virgin Money and its subsidiaries and subsidiary undertakings from time to time

"Virgin Money Shareholders"	the holders of Virgin Money Shares
"Virgin Money Shares"	the ordinary shares of £0.10 each in the capital of Virgin Money from time to time
"Virgin Money"	Virgin Money UK PLC, a public limited company incorporated under the laws of England and Wales with registered number 09595911