

Confidential

Nationwide Building Society ("**Nationwide**")
Nationwide House
Pipers Way
Swindon SN38 1NW
United Kingdom

7 March 2024

Board of Directors
Virgin Enterprises Limited ("**VEL**")
66 Porchester Road
London W2 6ET
United Kingdom

Dear Directors

Re: Trade mark licence agreement between VEL and Virgin Money UK plc

1. Background

- 1.1 VEL and Virgin Money Holdings (UK) plc (now Virgin Money Holdings (UK) Limited, "**VMH**") entered into a trade mark licence deed of agreement dated 1 October 2014 pursuant to which VEL agreed to license certain 'Virgin' trade marks to VMH (the "**Original TMLA**"). The Original TMLA was amended and restated on 25 July 2016 and was subsequently amended, restated and novated from VMH to CYBG plc (now Virgin Money UK plc, "**VMUK**") pursuant to a deed of novation, amendment and restatement dated 18 June 2018 (the Original TMLA as so amended, restated and novated, being the "**TMLA**").
- 1.2 Nationwide is considering a possible acquisition of VMUK (the "**Acquisition**"), which Acquisition may be implemented by way of a takeover offer (within the meaning of section 974 of the Companies Act 2006) (an "**Offer**") or a scheme of arrangement (under Part 26 of the Companies Act 2006) (a "**Scheme**"). It is intended that Nationwide and VMUK make a joint announcement in respect of the Acquisition pursuant to Rule 2.4 of the City Code on Takeovers and Mergers (the "**Code**") on or around the date of this letter agreement (the "**Rule 2.4 Announcement**").
- 1.3 In connection with the proposed Acquisition, Nationwide and VEL have agreed the terms of a deed of amendment to the TMLA, attached in agreed form as Attachment 1 to this letter agreement (the "**Deed of Amendment**").
- 1.4 Nationwide and VEL have entered into this letter agreement to set out the circumstances in which the Deed of Amendment shall be executed and other obligations of the parties in connection with the proposed Acquisition.

2. Definitions

In this letter agreement:

- (A) **“Business Day”** means a day other than a Saturday, a Sunday or a public holiday in England, on which banking institutions are open for general business in London (other than solely for settlement and trading in Euro);
- (B) **“Competing Offeror”** means any third party who makes an offer (including any announcement pursuant to Rule 2.4 of the Code or Rule 2.7 of the Code) for securities carrying more than 50% of the voting rights (as defined in the Code) in VMUK;
- (C) **“Completion”** means: (i) if the Acquisition is implemented by way of a Scheme, such Scheme becoming effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of an Offer, such Offer becoming or being declared unconditional in accordance with the requirements of the Code;
- (D) **“Holding Company”** means a ‘holding company’ (as defined by section 1159 of the Companies Act 2006) or a ‘parent undertaking’ (as defined by section 1162 of the Companies Act 2006);
- (E) **“Subsidiary”** means a ‘subsidiary’ (as defined by section 1159 of the Companies Act 2006) or a ‘subsidiary undertaking’ (as defined by section 1162 of the Companies Act 2006);
- (F) **“VEL Group”** means VEL, the ultimate Holding Company of VEL and all Subsidiaries of the ultimate Holding Company of VEL (but excluding, for the avoidance of doubt, the VMUK Group); and
- (G) **“VMUK Group”** means VMUK and its Subsidiaries.

3. The TMLA

3.1 VEL represents and warrants that, other than those referred to in this Letter Agreement, set out in the TMLA or otherwise provided to Nationwide on 6 March 2024:

- (A) the copy of the TMLA provided to Nationwide by VEL on 28 February 2024 is a complete and accurate copy of the only licence agreement pursuant to which Virgin grants a licence to VMUK of the ‘Virgin Money’ brand and the trade marks owned by Virgin relating to that brand; and
- (B) there are no amendments, waivers, side letters, assignments or novations affecting the TMLA or the rights and obligations under it.

3.2 Subject to paragraph 6.2, VEL shall not (and shall procure that each member of the VEL Group shall not), without the prior written consent of Nationwide, enter into, consent to or grant (as applicable) any amendment, waiver, side letter, assignment, novation or other agreement affecting the TMLA or the rights and obligations under it (each a **“TMLA Arrangement”**), until the earlier of the time at which the Deed of Amendment becomes binding in accordance with its terms or the time at which this letter agreement terminates in accordance with paragraph 6.

- 3.3 VEL hereby irrevocably approves the Acquisition for the purposes of the definition of “Permitted Change of Control” in the TMLA (and in the TMLA, as amended and restated pursuant to the Deed of Amendment) and agrees that it will not terminate, or purport to terminate, the TMLA (or the TMLA, as amended and restated pursuant to the Deed of Amendment) pursuant to clause 9.3(e) (*termination following change of Control*) of the TMLA (or clause 9.4(e) (*termination following change of Control*) of the TMLA, as amended and restated pursuant to the Deed of Amendment) in connection with, or as a result of, the Acquisition.

4. The Deed of Amendment and guarantee

- 4.1 Subject to paragraph 6, prior to Completion, VEL and Nationwide shall cooperate (each acting reasonably and in good faith) to update the TMLA attached as Annex 1 to the Deed of Amendment to update the schedules marked as ‘To be updated at Completion’, provided that, if the parties (each acting reasonably and in good faith) cannot agree on an update, no such update will be made.

- 4.2 Subject to paragraph 6 and Completion occurring, within 10 Business Days after Completion:

(A) VEL shall execute and deliver to Nationwide a counterpart of the Deed of Amendment; and

(B) Nationwide shall: (i) procure that VMUK shall execute and deliver to VEL a counterpart of the Deed of Amendment; and (ii) provide the guarantee from Nationwide (acting as guarantor) in the form set out in Schedule 22 (*Guarantee*) to the TMLA (or Schedule 21 (*Guarantee*) to the TMLA as amended and restated pursuant to the Deed of Amendment) (the “**Guarantee**”).

5. Virgin Red loyalty programme

Subject to paragraph 6, Nationwide and VEL shall discuss the Virgin Red loyalty proposition being developed for VMUK customers and explore the potential for a long-term partnership to be extended to customers of the wider Nationwide group after Completion.

6. Termination and other arrangements

- 6.1 If:

(A) the Rule 2.4 Announcement has not been released on 7 March 2024;

(B) Nationwide has not released an announcement in respect of the Acquisition pursuant to Rule 2.7 of the Code (the “**Rule 2.7 Announcement**”) by 5.00 p.m. on the 28th day following the date of the Rule 2.4 Announcement, or by 5.00 p.m. on such later date as VMUK and Nationwide may agree and to which the Panel on Takeovers and Mergers has consented in accordance with Rule 2.6 of the Code; or

(C) the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where: (i) the Acquisition is withdrawn or lapses as a result of Nationwide 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; or (ii) the lapsing or withdrawal is to be followed promptly by an announcement pursuant Rule 2.7 of the Code made by Nationwide or a person acting in concert (as

defined in the Code) with Nationwide to implement the Acquisition by a different Offer or Scheme on substantially the same or improved terms, and such announcement is made within five Business Days of such lapse or withdrawal,

this letter agreement and the obligations under it (other than those in paragraph 7), shall automatically terminate and, for the avoidance of doubt, there shall be no obligation on any party to execute or procure the execution of the Deed of Amendment or the Guarantee or to engage in the discussions contemplated by paragraph 5.

6.2 If:

- (A) the Rule 2.7 Announcement does not include a statement from the directors (or any independent committee of the board of directors) of VMUK that they recommend the Acquisition to VMUK shareholders (a “**VMUK Board Recommendation**”); or
- (B) following the release of the Rule 2.7 Announcement, VMUK releases an announcement that the VMUK Board Recommendation included in the Rule 2.7 Announcement has been withdrawn, qualified or adversely modified,

then VEL may enter into, consent to or grant a TMLA Arrangement, in each case to a Competing Offeror, provided that any provision of such TMLA Arrangement which would amend, waive, assign, novate or otherwise affect any part of the TMLA or the rights and obligations under it will not take effect prior to (i) if such Competing Offeror’s offer is implemented by way of a Scheme, such Scheme becoming effective in accordance with its terms; or (ii) if such Competing Offeror’s offer is implemented by way of an Offer, such Offer becoming or being declared unconditional in accordance with the requirements of the Code.

6.3 The parties shall not be required to comply with their obligations under paragraphs 4 or 5 if any of the circumstances described in paragraph 6.2(A) or paragraph 6.2(B) occur prior to Completion, save where, subsequent to such circumstances occurring and otherwise at any time prior to Completion, an announcement has been made containing a VMUK Board Recommendation and such VMUK Board Recommendation has not subsequently been withdrawn, qualified or adversely modified.

7. General

7.1 *Confidentiality.* The parties agree to treat this letter agreement, its contents (including the form of deed of amendment attached as Attachment 1 to this letter agreement) and the details of its negotiation as confidential. Each party shall not announce or disclose such confidential information except to the extent:

- (A) required for that party to exercise its rights and to perform its obligations under this letter agreement;
- (B) required by any applicable law or regulation;
- (C) required by the rules of any competent authority or securities exchange on which securities of that party or a member of its group are listed (including under the Code (whether in connection with the proposed Acquisition or otherwise));

- (D) required for the management of its tax affairs, including use or disclosure that is usual for the management of a transparent, professional relationship with HMRC, consistent with the behaviour of an entity that is a signatory to the Banking Code of Practice;
- (E) required by any court of competent jurisdiction, tax authority or any competent judicial, governmental, supervisory or regulatory body (including The Panel on Takeovers and Mergers, the Financial Conduct Authority, and the Prudential Regulation Authority);
- (F) such information is in the public domain other than through a breach by it of this paragraph 7.1;
- (G) such disclosure is by or to employees, directors, agents, sub-contractors or rating agencies, or those of any member of its group, in each case on a “need-to-know” basis and on confidentiality terms substantially equivalent to those in this paragraph 7.1;
- (H) such disclosure is required for the purpose of any legal proceedings arising out of this letter agreement, the Deed of Amendment or the TMLA;
- (I) such disclosure is by or to its legal or other professional advisers or lenders who, in each case, are subject to a duty of confidentiality; or
- (J) in the case of Nationwide only, such disclosure is to the VMUK Group and the legal and other professional advisers of the VMUK Group,

provided that, the parties agree to co-operate in good faith with respect to any court or regulatory requirement to summarise or to publicly file or display any copy of the TMLA, with the objective of limiting, to the extent reasonably practicable, such public disclosure (including by means of redactions, if permitted) so that such disclosure does not prejudice the commercial interests of either party.

7.2 *Counterparts.* This letter agreement may be signed in any number of counterparts and this has the same effect as if the signatures on counterparts were on a single copy of this letter agreement. Each counterpart, when signed, shall constitute an original of this letter agreement, but all the counterparts shall together constitute a single instrument.

7.3 *Amendment.* This letter agreement may only be amended by agreement in writing signed by an authorised representative for each party hereto.

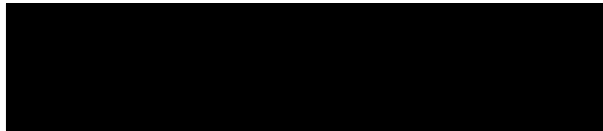
7.4 *Costs.* Each party shall be liable for its own costs incurred in connection with the preparation, negotiation, execution and carrying into effect of this letter agreement.

7.5 *Governing law and jurisdiction.* This letter agreement and all matters (including any contractual or non-contractual disputes or claims) arising out of or in connection with it, including as to its subject matter or formation shall be governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to settle all disputes (whether contractual or non-contractual) arising out of or in connection with this letter agreement.

Yours sincerely

[Signatures follow]

Signed as an agreement)
for and on behalf of)
NATIONWIDE BUILDING SOCIETY)



Signature

DEBORAH CROSBIE.....

Name

7 March 2024.....

Date

Receipt of this letter is acknowledged by VEL and the contents of this letter are accepted on the terms set out in it.

Singed as an agreement
for and on behalf of
VIRGIN ENTERPRISES LIMITED



)
)
) Signature
)
) William P Budd
)
) Name
)
) 07 March 2024 | 02:57:58 GMT
)
) Date

Attachment 1

Agreed Form Deed of Amendment to TMLA

VIRGIN ENTERPRISES LIMITED

- and -

VIRGIN MONEY UK [PLCLIMITED]

TRADE MARK LICENCE

DEED OF AGREEMENT

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- (1) **VIRGIN ENTERPRISES LIMITED** a company registered in England & Wales with company number 01073929 whose registered office is at The Battleship Building, 179 Harrow Road, London W2 6NB (“**VEL**”); and
- (2) **VIRGIN MONEY UK [PLC\LIMITED]**, a company registered in England and Wales with company number 09595911 [whose registered office is at Jubilee House, Gosforth, Newcastle Upon Tyne, NE3 4PL] (the “**Company**”).

RECITALS

- (A) VEL is the legal and beneficial owner of the Licensed Marks (as defined below) and has granted certain rights in relation to the Licensed Marks in the United Kingdom to the Company and other members of the VM Group under the Banking Licences, the Investment and Insurance Licence and the Virgin Money Giving Licences (each as defined below).
- (B) The parties have agreed that the Banking Licences, the Investment and Insurance Licence and the Virgin Money Giving Licences shall be consolidated into one agreement. Accordingly, the parties have agreed to restate and replace the Banking Licences, the Investment and Insurance Licence and the Virgin Money Giving Licence with the consolidated terms and conditions of this Agreement (as defined below).



IT IS AGREED as follows:

1. DEFINITIONS


- 1.1 In this Agreement, the following terms shall have the following meanings:


1999 Act	has the meaning set out in Clause 17.10;
Accounting Period	means each of the annual accounting periods ending on the Annual Accounting Date during the Term and, in the case of the first such period, the period from the Commencement Date to the first Annual Accounting Date and, in the case of the last period, the period from the commencement of such period until close of business on the final day of the Term;
Acquisition	means any merger with, an acquisition of shares resulting in Control of a third party by the Company, or the acquisition of assets from a third party by the Company, or the same in respect of any other member of the VM Group;
Admission	means admission to the premium listing segment of the Official List and admission to trading on the London Stock Exchange's market for listed securities;
Affiliate	means, in relation to a party, a Subsidiary of that party or a Subsidiary of that party's Holding Company (in each case, whether directly or indirectly);

	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Articles of Association	means the Company's articles of association from time to time;
Banking Licences	means the Banking Services Head Licence and the Banking Services 1998 Sub-Licence;
Banking Services 1998 Sub-Licence	[REDACTED]
Banking Services and Products	means banking or financial services and products which are from time to time offered in the ordinary course of business by any United Kingdom clearing bank or any Challenger Bank (including without prejudice to the foregoing generality, retail or business banking services and products, mortgage services and products, credit card, debit card, charge card, smart card, store card and pre-paid card services and products, the taking of deposits, secured and unsecured lending services and products, current account, off-set account, savings account and other bank account services and products, payment, transmission or other clearing services and products, currency exchange services and products, the granting of guarantees, performance bonds and letters of credit, asset finance, invoice finance, treasury solutions, brokering services, underwriting services, custody services and products, deposits, loans, revolving facilities (overdraft and revolving credit funding), interest rate swaps, foreign exchange, merchant services, and the provision of advice in relation to any of the foregoing), and the VMG Permitted Activities;
Banking Services Head Licence	[REDACTED]

	
Board	means the board of directors of the Company from time to time or, where the context allows, a duly authorised committee thereof;
Brand Board	has the meaning given in Schedule 4 to this Agreement;
Brand Enhancement Activities	means any activities targeted at (i) enhancing the reputation of the Company's business operated in the Territory under the Names, (ii) enhancing the experience of customers of the Company's business operated in the Territory under the Names, (iii) improving the digital customer proposition offered by the Company in connection with the Licensed Activities, or (iv) marketing the Company's business operated in the Territory under the Names, but excluding any activities relating to any loyalty collaboration that may be entered into between Virgin Red and any the Company or any of its Affiliates;
Brand Enhancement Period	means each of the 4 consecutive 12 month periods from Completion up to the 4 th anniversary of Completion;
Brand Health Standards	
Brand-related Regulatory Issues	means any material issues or concerns raised by a Regulatory Authority in relation to (i) the branding of the Licensed Activities, (ii) the use of any of the Names or any Virgin Mark in connection with any Financial Services or Products in the Territory, (iii) any customer confusion involving any of the Names or any Virgin Mark or (ii) the conduct of the Virgin Red loyalty programme (if and to the extent that the Company has agreed to participate in such loyalty programme);
Brand Obligations	means any obligations of the Company under the Virgin Brand Identity Guidelines, Customer Experience Standards, People Experience Standards, Brand Health Standards or Contact and Consent Guidelines;


Brand Purpose	[REDACTED]
Brand Refresh	has the meaning set out in Clause 6.5;
Brand Strategy Plan	has the meaning given to it in Schedule 17;
Brand Value Failure	has the meaning set out in Clause 5.10;
Brand Values	means the brand values agreed by the parties prior to Completion, as amended by agreement between the parties from time to time;
Business Day	means a day (other than a Saturday, Sunday or public holiday) when banks in London are open for general business;
Cessation Period	means the period of 24 months from the date of termination of this Agreement;
Challenger Banks	means Aldermore Bank, Atom Bank, Metro Bank, OneSavings Bank, Handelsbanken, Shawbrook Bank, Tesco Bank, TSB Bank, and Williams & Glyn's Bank, and any other UK challenger bank including in each case their successors from time to time;
Clydesdale Brands	means the trade marks used by the CYBG Group prior to the Novation Effective Date incorporating the name "Clydesdale";
[REDACTED]	[REDACTED]
Commencement Date	means 1 October 2014;
Completion	has the meaning set out in the Letter Agreement;
Confidential Information	has the meaning set out in Clause 15.1;
Contact and Consent Guidelines	[REDACTED]
Control	means, in relation to a person, the direct or indirect ownership of more than 50 percent of the voting capital or similar right of ownership of that person or the legal power to direct or cause the direction of the general management and policies


	of that person, whether through the ownership of voting capital, by contract or otherwise;
Core Innovation	means any Innovation that is a banking, insurance, investment or financial product or service that is not a Financial Service and Product but which the Company considers could reasonably be offered to customers of Financial Services or Products by any United Kingdom clearing bank or Challenger Bank at the time of the Company's notice;
Core Product	means any of the following Financial Services and Products: (i) mortgages; (ii) savings accounts; (iii) ISAs; (iv) investment products; (v) loans; (vi) current accounts; and (vii) business banking products;
Corporate Governance Code	means the UK Corporate Governance Code published in April 2016 by the UK Financial Reporting Council, as modified or replaced from time to time;
CPI Delta	means the Minimum Royalty due for the Quarter less £3,750,000;
Currency Arrangement	means any arrangement between Virgin Red and a third party whereby customers can (a) earn Virgin Points from purchase or use of that third party's products or services and/or (b) redeem Virgin Points in exchange for that third party's products or services;
Customer Experience Standards	
CYBG Brands	means the following signs and marks and each of them: (i) the Clydesdale Brands; (ii) the Yorkshire Brands; (iii) CYBG; (iv) B; (v) WE CARE ABOUT HERE; (vi) BE ALL YOU CAN BE; and (vii) the logos used by the CYBG Group prior to the Novation Effective Date;
CYBG Group	means CYBG PLC and its Subsidiaries existing immediately prior to the Novation Effective Date;
Data Protection Law	means the Directives (as amended or replaced from time to time), guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by any Supervisory Authority and any applicable national, international, regional, municipal or other data privacy and data protection laws or regulations in any other territory in which the Company conducts its business, including to the extent applicable, the GDPR;


Deed of Amendment and Restatement	means the deed of amendment and restatement entered into between VEL and the Company on [●];
Debranding Arrangements	means the plan and approach in relation to the debranding of the Company's business operated in the Territory under the Names following the termination of this Agreement as contemplated by Schedule 20;
Director	means a director of the Company from time to time;
Disclosing Party	has the meaning set out in Clause 15.1;
Disclosure Guidance and Transparency Rules	means the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of the FSMA;
Dispute	has the meaning set out in Clause 17.12;
Dispute Notice	has the meaning set out in Clause 17.12;
Dispute Process	means the dispute process set out in Clause 17.12;
Domain Name	means http://uk.virginmoney.com or any other domain name that may be registered by VEL for use by the Company from time to time pursuant to Clause 6.10, including those domain names set out in Part A of Schedule 9;
Ecosystem	means the Company's: <ul style="list-style-type: none"> (a) physical locations, such as branches; and (b) digital platforms made available in connection with Retail Services and SME and Corporate Business;
Escalation Procedure	has the meaning set out in Schedule 16;
Excluded Activities	means the excluded activities listed in the "field" column in Schedule 7;
Excluded Financial Services and Products	
Existing Sub-Licence	has the meaning set out in Clause 7.4;

	<p>any Investment Services and Products, and the promotion of and/or acting as sponsor and/or financial adviser to any partnership, fund or company in connection with any offer of investments primarily; and</p> <p>(c) the design, development, offering, marketing, sale, administration, management, purchase, operation, provision, subscription and underwriting of Insurance Services and Products,</p> <p>but excluding all Excluded Financial Products and Services and, subject to that exclusion, “Financial Service or Product” shall mean any of the above services or products listed in (a) – (c) above;</p>
First Quarter	means the period from and including the Novation Effective Date until the next Quarter Day;
First Tier Representative	means (i) with respect to VEL, the senior Brand Director acting as key account manager (within VEL) for the Company’s business from time to time; and (ii) with respect to the Company, the Marketing Director from time to time;
FSMA	means the Financial Services and Markets Act 2000;
GDPR	means, on and from 25 May 2018, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as and when it becomes applicable;
Grandfathered Sub-Licences	means (i) the partnerships and sub-licences entered into by any of the CYBG Group prior to the Novation Effective Date, (ii) all sub-licences to the Licensed Marks entered into by Virgin Money Holdings (UK) Plc or its Subsidiaries prior to the Novation Effective Date (provided that in each case any extension, renewal or amendment of any Grandfathered Sub-Licence (save for any extension or renewal which is required by the terms of any Grandfathered Sub-Licence to be on the same terms as the Grandfathered Sub-Licence) will be subject to the commitments by the Company in Clause 7);
Group	means: <p>(a) in relation to the Company, the VM Group;</p> <p>(b) in relation to VEL, the Virgin Group; and</p>

	<p>(c) in relation to any other company, the ultimate Holding Company of that company and any Subsidiary of the ultimate Holding Company of that company,</p> <p>and, in each case, “Group Company” shall be construed accordingly</p>
<p>Group Turnover</p>	<p>means the aggregate Turnover of the Company and each member of the VM Group in carrying out Licensed Activities in the Territory (whether or not under the Licensed Marks), calculated as follows:</p> <p>Turnover = (A + B + C) <i>excluding</i> (D + E + F + G), where:</p> <p>A = net interest income;</p> <p>B = net other income (including any economic benefit received by the VM Group in connection with Licensed Activities permitted under any Grandfathered Sub-Licence and Own-Branded Partner Products and Services but excluding any income that is not retained income, either through the passing on of income, or the reimbursement of overheads, to a third party);</p> <p>C = all turnover (net of customary deductions such as taxes, bad debts, refunds etc.) of sub-licensees (excluding those operating under Grandfathered Sub-Licences until any such Grandfathered Sub-Licence ceases to be a Grandfathered Sub-Licence pursuant to Clause 7.3(b)) generated directly from their sale of Licensed Activities by reference to use of the Licensed Marks in accordance with any new sub-licence granted by the Company to such sub- licensee after the Novation Effective Date;</p> <p>D = net gains/losses on sale of property, plant and equipment;</p> <p>E = net gains/losses on sale of investment securities;</p> <p>F = fair value gains/losses on financial instruments; and</p> <p>G = any commission, fees or other economic benefit received by the VM Group in connection with the Licensed Activities from sub-licensees under any sub-licences entered into by any member of the VM Group after the Novation Effective Date,</p> <p>in each case, as calculated in accordance with the Company’s standard accounting policies and, to the extent</p>

	applicable, as consolidated in accordance with the VM Group's accounts;
Guarantee	has the meaning set out in Clause 5.15;
Guaranteed Obligations	has the meaning set out in Schedule 21;
Guarantor	has the meaning set out in Clause 5.15;
Holding Company	means a holding company (as defined by section 1159 of the Companies Act 2006) or a parent undertaking (as defined by section 1162 of the Companies Act 2006);
Independent Director	means a non-executive Director appointed in accordance with the Articles of Association who is independent for the purpose of the Corporate Governance Code;
Innovation	means any product or service which is deemed to be an "Innovation" pursuant to Clause 3.26;
Insolvent	means that the Company's financial position is such that the Company, its directors, shareholders or creditors take steps to institute formal insolvency proceedings with respect to the Company of a type provided for by the Insolvency Act 1986 (or any similar or analogous legislation, whether under English law or otherwise), including administration, liquidation, administrative receivership, receivership, voluntary arrangement, winding up, scheme of arrangement or bankruptcy and the same is not set aside within ten (10) days, or if the Company is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
Insurance Services and Products	means all insurance products and services, including but not limited to products and services relating to each of: (a) life insurance; (b) general insurance; (c) health insurance; (d) home insurance; (e) pet insurance; (f) vehicle insurance; and (g) pensions and annuities;
Investment and Insurance Licence	
Investment Services and Products	any security, policy, contract or any other product of a financial nature (including, without limitation, any pension, annuity, or other income-generating investment) which constitutes a medium for investment or savings or insurance, or for protection against risk in respect of investments or

	savings, and the provision of investment management services and of financial and/or investment advisory services;
Ireland	means the Republic of Ireland;
Legacy Brands	
Letter Agreement	means the Letter Agreement entered into between VEL and Nationwide dated [X] March 2024;
Letter of Appointment	has the meaning set out in Clause 11.4;
Licensed Activities	means the activities permitted pursuant to Clause 3.1;
Licensed Marks	means (i) the Virgin Marks, (ii) the Names, (iii) the Approved Sub-Brands and (iv) any other trade marks that may be filed or registered by VEL for use by the Company in the Territory from time to time pursuant to Clause 6.4 or 6.10;
Listing Rules	means the listing rules made by the Financial Conduct Authority (or any successor entity that acts as the listing authority in the United Kingdom) under Section 73A of the Financial Services and Markets Act;
Loyalty Programme	means a programme designed to increase users and user engagement based on a membership model and the earning and giving of rewards;
Marketing Arrangement	has the meaning given in Clause 7.3(ii);
Material Breach Notification	has the meaning given to it in Clause 9.3;
Metrics	means the key performance metrics described in Clause 5.9;
Migration Activity	has the meaning set out in Schedule 18;
Minimum Royalty	means £15,000,000 (fifteen million pounds sterling), subject to indexation in accordance with Schedule 11;
Must-Use Requirement	means at least 80% of the total Group Turnover in a Quarter is generated through the Licensed Activities offered by reference to the Licensed Marks;
Names	means:

	<p>the logos shown at Schedule 3A and the name 'Virgin Money';</p> <p>(ii) such other representations or versions of the 'Virgin Money' logo as may be reflected in the VM Identity Guidelines from time to time; and</p> <p>(iii) the registrations set out in Schedule 3B,</p> <p>as the same may be updated, added to, or updated in accordance with the terms of this Agreement or by agreement of the Parties from time to time;</p>
Nationwide	means Nationwide Building Society, a building society registered in England under registration number 355B whose registered office is at Nationwide House, Pipers Way, Swindon SN38 1NW;
Nationwide Group	means Nationwide and all of its Subsidiaries, but excluding, for these purposes, the VM Group;
New Logo	has the meaning set out in Clause 6.4;
Non-Core Product	means any Financial Service or Product which is not a Core Product;
Non-Exclusive Domain Names	means those domain names listed in Part B of Schedule 9;
Novation Agreement	means the novation and amendment agreement to be entered into by CYBG PLC, VEL and Virgin Money Holdings (UK) Plc pursuant to which CYBG PLC will assume the rights and obligations of Virgin Money Holdings (UK) Plc under this Agreement;
Novation Effective Date	means the effective date of the Novation Agreement;
Official List	means the Official List of the UK Listing Authority;
Own-Branded Partner Products and Services	means products and services provided under the brand of the relevant third party partner;
People Experience Standards	
Permitted Change of Control	means a change of Control arising from (a) an IPO of the Company on a recognised stock exchange and/or trading of listed securities in the Company on such stock exchange in

		the ordinary course; or (b) any other sale of the shares of the Company which has been pre-approved by VEL in writing, provided that VEL shall only be entitled to withhold or delay such approval if the purchaser is an entity outside the VM Group which is (i) a direct competitor of VEL or any Virgin Entity in the Territory or (ii) involved in any business or activity, or possessing a reputation or financial standing, which would be likely to materially damage the value or reputation of the Licensed Marks;
Permitted Presence	E-	means the establishing and/or maintaining of the Company's presence on the internet and digital media (including but not limited to the Website, mobile apps, the Company's Facebook page, Twitter account and other channels from time to time regardless of the method of accessing such channels) or other equivalent or similar forms of technology as may be developed from time to time, in each case for the purpose of, or related to, the Licensed Activities;
Permitted Historic VM Abbreviations		means the abbreviations set out in Schedule 15;
Permitted Prefix		<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Post-Completion Quarter		means the Quarter following the Quarter in which Completion occurs (being the first Post-Completion Quarter) and each consecutive Quarter thereafter;
PRA		means the Prudential Regulation Authority created by the Financial Services Act and part of the Bank of England;
prefix		means, in relation to a word or phrase, a mark that precedes such a word or phrase without necessarily being conjoined therewith;
Prohibited Activities		means activities that would reasonably be considered to be immoral, unlawful or exploitative of the weak (including pay day lending, firearms manufacture or financing thereof) but excluding in the ordinary course the enforcement of legal rights (including repossessions and enforcement of debts);

Proposed Innovation	has the meaning given to it in Clause 3.26;
Proposed Sale	has the meaning given to it in Clause 5.17;
Promotional Materials	means those electronic, digital and printed campaign materials created by or on behalf of the Company or any sublicensee in connection with the advertising and promotion of goods and/or services being provided as part of the Licensed Activities in accordance with this Agreement (including without limitation the form and content of all advertising and promotional material in which the Licensed Marks appear for use in the national press, billboard, magazine, television, radio and cinema advertisements);
Quarter	means the period from and including the relevant Quarter Day until the day prior to the next Quarter Day;
Quarter Days	means, in a calendar year, 1 January, 1 April, 1 July and 1 October and “ Quarter Day ” shall mean any one of them;
Quarterly Statement	has the meaning set out in Clause 4.4;
Rebrand Migration Arrangements &	
Rebranding Activity	has the meaning set out in Schedule 18;
Receiving Party	has the meaning set out in Clause 15.1;
Reconciliation Statement	has the meaning set out in Clause 4.14(c);
Refresh Commencement Date	has the meaning set out in Clause 6.5;
Regulatory Authority	means the FCA, the PRA or any other regulatory authority having legitimate jurisdiction over the activities of the VM Group in the Territory;
Relevant Group Turnover	means, (A): for the purpose of Clause 4.1(f), in respect of the applicable Quarter in a particular Royalty Period, any incremental difference in Group Turnover for such Quarter above the Group Turnover in the corresponding Quarter for Year 3 as set out in the statement supplied to VEL pursuant to Clause 4.14(a), and (B): for the purposes of Clause 4.2, in respect of the applicable Quarter in Year 4 or in a particular

	Royalty Period (as appropriate), any incremental difference in Group Turnover for such Quarter above the Threshold Amount for such Quarter;
Remedial Plan	has the meaning set out in Schedule 16;
Replaced Agreements	means the Banking Licences, the Insurance and Investment Licence and the Virgin Money Giving Licences;
Retail Services	means any Financial Services and Products provided to any customer (including in the context of a joint account) specifically to manage their personal financial assets, investments and insurances in their own personal capacity, and not for or as part of any business or other commercial trading activity;
Royalties	means the royalties specified in Clause 4;
Royalty Period	has the meaning given in Clause 4.1(f);
Run-Off Longstop Date	has the meaning set out in Clause 6.6;
Run-Off Period	has the meaning set out in Clause 6.5;
Second Tier Representative	means (i) with respect to VEL, the Commercial Director; and (ii) with respect to the Company, the Chief Executive Officer;
SME and Corporate Business	means the Group Turnover of, and those parts of the Company's business which, in each case, is attributable to Financial Services and Products sold, provided or offered to any person other than as Retail Services;
Social and Environmental Register	means the social and environmental register described in Clause 5.9;
Subsidiary	means a subsidiary (as defined by section 1159 of the Companies Act 2006) or a subsidiary undertaking (as defined by section 1162 of the Companies Act 2006);
Supervisory Authority	means any competent data protection or privacy authority in any jurisdiction in which the Company is established, provides services or processes personal data;
Threshold Amount	means five hundred and twenty-five million pounds sterling (£525,000,000);
Term	has the meaning given in Clause 91;

Territory	means the United Kingdom of Great Britain and Northern Ireland (which, for the purposes of this Agreement, shall include England, Scotland, Wales and Northern Ireland regardless of whether any of the same become independent countries);
Tipping Arrangement	means any arrangement between two loyalty schemes whereby the loyalty currency of one scheme can be converted into the loyalty currency of the other scheme for the purpose of enabling redemption against goods and/or services which are made available by that other scheme;
TM Action	has the meaning given in Clause 10.4;
Transition Longstop Date	[REDACTED]
Transition Period	[REDACTED];
VAA	means Virgin Atlantic Airways Limited (a company registered in England and Wales with company number 01600117 whose registered office, as at Completion, is at Company Secretariat – The Vhq, Fleming Way, Crawley Sussex, RH10 9DF);
VAA Co-brand Agreement	means the strategic partnership agreement between Virgin Money Plc (now named Virgin Money Limited) and VAA dated 30 June 2017, as amended from time to time;
VAT	means value added tax imposed in any member state of the European Union pursuant to Council Directive (EC) 2006/112 on the common system of value added tax, and national legislation implementing, or supplemental to, that Directive or any predecessor to it, or any similar tax which may be substituted for or levied in addition to it or any value added, sales, turnover or similar tax imposed in any country that is not a member of the European Union;
VEL Reserved Rights	means the rights of VEL set out in Clauses 3.14, 3.15, and 3.16;
Virgin Brand Identity Guidelines	[REDACTED]

Virgin Branded Cards	has the meaning given to it in Clause 3.25;
Virgin Corporate Group	means VEL, the ultimate Holding Company of VEL and any subsidiary of the ultimate Holding Company of VEL;
Virgin Entity	means any person, now or in the future, to which VEL has directly or indirectly granted a licence to use the “Virgin” name as part of its corporate or trading name, but excluding for these purposes the VM Group;
Virgin Group	means VEL, the ultimate Holding Company of VEL, any subsidiary of the ultimate Holding Company of VEL and each Virgin Entity (but excluding each member of the VM Group);
Virgin Marks	means the Virgin Signature Logo and the word mark VIRGIN, together with the trade mark applications and/or registrations set out in Schedule 2B (as the same may be updated from time to time);
Virgin Money Giving Licences	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Virgin Red	means Virgin Red Limited (a company registered in England and Wales with company number 09595911 whose registered office, as at 1 March 2024, is at 66 Porchester Road, London, W2 6ET;
Virgin Red Brand	means (i) the “Virgin Red” brand, (ii) the “Virgin Points” brand or (iii) any sub-brand of either of the foregoing brands;
Virgin Signature Logo	means the logo set out in Schedule 2A;
VM Identity Guidelines	means the Virgin Money Identity Guidelines and the Virgin Money Giving Identity Guidelines as agreed between the Company and VEL from time to time;
VM Group	means the Company and its Subsidiaries;

VMG Permitted Activities	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Website	means the Company's internet websites located at and/or accessible through any Domain Name;
[REDACTED]	[REDACTED]
Year 1	has the meaning set out in Clause 4.1;
Year 2	has the meaning set out in Clause 4.1;
Year 3	has the meaning set out in Clause 4.1; and
Year 4	has the meaning set out in Clause 4.1.

1.2 In this Agreement, unless otherwise specified:

- (a) the headings shall not affect the interpretation of this Agreement;
- (b) references to a clause, schedule or paragraph are to a clause, a schedule or paragraph in this Agreement;

- (c) any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;
- (d) the schedules shall have the same effect as if contained in the body of the Agreement;
- (e) references to any statute or statutory provision or order or regulation made thereunder shall include that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time;
- (f) words denoting the singular shall include the plural and vice versa;
- (g) any reference to a person shall be to a legal person of whatever kind (and includes a body corporate, unincorporated association of persons (including a partnership or joint venture), agency, organisation, and any other entity whether or not having a separate legal personality and an individual his estate and personal representatives) and to its successors, permitted assignees and transferees;
- (h) words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things; and
- (i) references herein to the Company in respect of its rights, permissions or exemptions in exercising its rights licensed hereunder, shall be interpreted to include references to any person sub-licensed by the Company in accordance with the terms of this Agreement.

1.3 If there is any inconsistency or conflict between the clauses of this Agreement, the schedules of this Agreement and any other documents referred to in this Agreement, the following order of preference shall apply:

- (a) the clauses of this Agreement;
- (b) the schedules of this Agreement ; and
- (c) any other document referred to in this Agreement.

2. REPLACED AGREEMENTS

2.1 With effect from the Commencement Date, the parties agree that:

- (a) this Agreement restates and replaces the Replaced Agreements; and
- (b) subject to Clause 2.2, the Replaced Agreements shall cease to have any force and effect.

2.2 Subject to the terms of the Novation Agreement, the coming into force of this Agreement shall not affect any accrued rights or liabilities of either party whether under statute, in contract, tort or otherwise, nor prevent either party from pursuing other remedies available

to it in respect of any act, omission or breach of the Replaced Agreements which occurred prior to the Commencement Date.

- 2.3 On the Commencement Date, the parties shall execute a side agreement in the form of the letter set out in Schedule 14. The Company shall procure that each VM Group counterparty to the Replaced Agreements shall execute such agreement.

3. GRANT

- 3.1 Subject always to Clause 3.2 and Clause 3.13, with effect from the Commencement Date, in consideration of the Royalties and the covenants and undertakings contained in this Agreement, VEL hereby grants to the Company:

(a) an exclusive licence to use the Licensed Marks (other than the Virgin Marks) in relation to the Financial Services and Products and Core Innovations;

(b) a non-exclusive licence to use the Virgin Marks in relation to the Financial Services and Products and Innovations;

(c) a non-exclusive licence to use the Licensed Marks in relation to:

(i) subject to Clause 3.10, any activity (including those provided or delivered in or through or part of the Ecosystem) which is ancillary to or incidental to any of the Financial Services and Products (including the provision of Virgin Money lounges [REDACTED] and Innovations;

(ii) any activity which is carried out for the purpose of raising capital or finance to be deployed in carrying on its business, or for the purpose of any treasury function (but, without prejudice to the Company's rights under Clause 3.1(a) and 3.1(b), excluding the raising of capital or finance for the benefit of any person outside the VM Group) or for liaising with investors or shareholders in the VM Group;

(iii) the holding of shares or other investments in any corporate or other entity or organisation carrying out any of the any activities covered by Clause 3.1(a), Clauses 3.1(c)(i) and 3.1(e);

(iv) signage, advertisements, promotional brochures, the Permitted E-Presence and other materials in connection with and in the ordinary course of the activities set out in Clauses 3.1(a) to 3.1(c) and Clause 3.1(e); and

[REDACTED]

(d) a non-exclusive licence to use the Licensed Marks, in relation to:

(i) promotional products and activities whose purpose is to promote any of the Licensed Activities under Clause 3.1(a) to 3.1(c) and 3.1(e)

PROVIDED THAT such promotional products or activities are only distributed, provided or carried on either at no charge by the Company or for charitable purposes; and

- (ii) the undertaking of corporate responsibility, social improvement and charitable activities in the community and nationwide;
- (e) subject to Clause 3.11, a non-exclusive licence to use the Licensed Marks, in relation to products or services offered or provided to customers or prospective customers which consist of or include or relate to both Financial Services and Products provided by or on behalf of the Company under the Licensed Marks and Own-Branded Partner Services and Products provided by a third party partner including provided or delivered in or through or as part of the Ecosystem;
- (f) a non-exclusive licence to use the Licensed Marks, as part of its business, trading or registered company name and to use the same on its corporate materials and communications which bear the company name, provided that when used as a company name, such name is always followed by the correct company denotation (for example 'Limited') for the relevant type of company;
- (g) an exclusive licence to use the Legacy Brands in relation to Financial Services and Products, and a non-exclusive licence to use the Legacy Brands for the purposes described in Clauses 3.1(c) and 3.1(d), during the Transition Period, provided that, subject to Clause 3.25, the Company shall cease all use of all Legacy Brands no later than the end of the Transition Period (it being acknowledged by VEL that nothing in this Clause 3.1(g) shall require the Company to (i) recall any materials bearing the Legacy Brands which are in the public domain, (ii) do anything which would be contrary to Applicable Laws or (iii) recall, destroy or cease to use any historic products or materials bearing the Legacy Brands which are in its possession or control or which compromise its historical records, or which it reasonably requires in order to satisfy any Applicable Laws or customer requests (for example, a customer's request for a historic bank statement bearing the Legacy Brands)); and
- (h) an exclusive licence, under VEL's contractual rights, to use the Domain Names in the conduct of the activities under this Clause 3.1 (such use to be subject to and in accordance with the opening paragraph of Schedule 9),

in each case in the Territory during the Term in accordance with the terms and conditions of this Agreement.

Limitations of Grant

3.2 Nothing in this Agreement shall allow the Company:

- (a) to use the Virgin Marks in any form other than:
 - (i) as part of, or in the form of, the Names or the Approved Sub-Brands;
 - (ii) for the duration of the Transition Period only, the Legacy Brands;

- (iii) any New Logo approved by VEL pursuant to Clause 6.4 and any trade marks registered by VEL as contemplated in Clause 6.10; and
 - (iv) as permitted by Clause 3.25;
 - (v) in conjunction with any corporate name of, or other legal name on any regulatory licence held or granted to, any member of the VM Group, for example the Company trading as “Virgin Money”;
- (b) to use the “Virgin Money Giving” Approved Sub-Brand in relation to any activities other than the VMG Permitted Activities;
 - (c) to use the Licensed Marks in any form other than as permitted by Clauses 3.1, 3.3 and 3.4;
 - (d) to use the Licensed Marks in relation to any activities outside the Territory (save as permitted or excepted by Clauses 3.5 and 3.7 and paragraph 2 of Part A of Schedule 13) or otherwise required by Applicable Laws or to communicate with investors or shareholders;
 - (e) to use any Licensed Mark in relation to any activities other than the Licensed Activities (unless permitted pursuant to Clause 3.4).

3.3 For the avoidance of doubt:

- (a) nothing in this Agreement restricts the right of the Company or any member of the VM Group to conduct any activities which are not Financial Services and Products in the Territory to the extent that conduct of such activities does not use the Licensed Marks (or any mark which the Company is prohibited from using pursuant to Clause 3.2 or Clause 6.3(d)) or create any brand confusion in relation to the Licensed Marks;
- (b) the parties acknowledge that, as between the Licensed Marks and without prejudice to Clause 3.28, the “Virgin Money” name is intended to be the primary brand whereas the Approved Sub-Brands are intended to be subsidiary brands when used within the VM Group;
- (c) pursuant to the terms of this Agreement, VEL has no rights in respect of the Alternative Brands used by the Company;

- (d) [REDACTED]

[REDACTED]

[REDACTED]

- (e) nothing in this Agreement shall prevent or prohibit the Company, in conjunction with the Licensed Marks, using its corporate name or other legal name on any regulatory licence held or granted to any member of the VM Group (including for example on stationery or in customer terms and conditions);
- (f) nothing in this Agreement shall prevent or prohibit the Company making reference to any of the CYBG Brands in reference to the provenance and history of the Company's business;
- (g) nothing in this Agreement, including under Clause 3.28, shall oblige or require the VM Group to have to dispose of or rebrand any historical materials, records, documents (including reproducing anywhere reasonably required including by providing customers with copy statements, or as may be required by Applicable Laws); and

[REDACTED]

E-Presence

3.4 The Company shall be entitled to use the Licensed Marks for the purposes of its Permitted E-Presence, provided that any such use shall be in accordance with this Agreement (or as otherwise set out in the VM Identity Guidelines from time to time).

3.5 VEL acknowledges that:

- (a) the nature of the Permitted E-Presence and the global nature of Financial Services and Products is that materials bearing the Licensed Marks may be used, viewed or accessed by users outside the Territory and, subject always to Clauses 3.6 and 3.7, this shall not in itself amount to a breach of this Agreement; and
- (b) the Company and other members of the VM Group will conduct funding and treasury activities on its own behalf in accordance with Clause 3.1(c)(ii) both inside and outside the Territory and, subject always to Clauses 3.6 and 3.7, any such investor relations, shareholder communications and funding and treasury activities conducted outside the Territory shall not in themselves amount to a breach of this Agreement.

Extra-territorial Activities

3.6 The Company shall not use the Licensed Marks to:

- (a) advertise any goods or services provided as part of the Licensed Activities in a manner specifically aimed at any country outside the Territory;
- (b) actively seek orders for any goods or services provided as part of the Licensed Activities from outside the Territory; or
- (c) establish any branch or sales office outside the Territory to carry out any activities in relation to the Licensed Activities.

For the avoidance of doubt, nothing in this Agreement restricts the Company's right to conduct any activities outside the Territory to the extent that conduct of such activities does not use the Licensed Marks (or any mark which the Company is prohibited from using pursuant to Clause 3.2 or Clause 6.3(d)) or create any brand confusion in relation to the Licensed Marks.

3.7 For the purposes of Clause 3.6, advertising or seeking orders outside the Territory means actively approaching or soliciting new customers outside the Territory, including, but not limited to, the following actions:

- (a) visits to prospective customers outside the Territory;
- (b) sending direct mail, including the sending of unsolicited emails, to prospective customers outside the Territory;
- (c) advertising in any media, on the internet or other promotions, where such advertising or promotion is specifically targeted at customers outside the Territory; and other efforts directed primarily to users outside the Territory, including without limitation the use of territory-based banners on third party websites and paying a search engine or online advertisement provider to have advertisements or higher search rankings displayed specifically to users outside the Territory; and/or
- (d) advertising or promotion in any form, or (where applicable) translation of the Permitted E-Presence into a language other than an official language of any country forming part of the Territory, that the Company would not reasonably carry out but for the likelihood that it shall reach customers outside the Territory,

in each case only to the extent such activity is undertaken for the purpose of actively soliciting new customers outside the Territory. [REDACTED]

3.8 If and to the extent that the laws of the European Union (the "EU") and/or any other international treaty applicable to trade within the Territory limit the enforceability of any territorial restrictions contained in any provision of this Agreement, the parties agree to amend such provision to the minimum extent necessary to comply with such legal requirements.

3.9 The Company acknowledges that VEL may (directly or indirectly) grant third parties rights to use the Licensed Marks (including the Names) outside the Territory in relation to the Licensed Activities and may grant such rights in respect of the internet or other forms of technology or media developed in the future that are by their nature accessible worldwide, which may result (notwithstanding any territorial restrictions in VEL's agreement with such third party) in Licensed Activities under the Licensed Marks (including the Names) being accessible to persons within the Territory, and that such third party may fulfil instructions and orders given by persons based in the Territory, [REDACTED]

Restrictions on Company

3.10 The Company shall ensure that any activities carried on pursuant to Clause 3.1(c)(i) shall:

- (a) be offered or provided only to existing and/or prospective customers of Financial Services and Products;
- (b) be, or be reasonably likely to become, customary in the sector of Financial Services and Products (and VEL acknowledges and agrees that [REDACTED] are customary in the sector of Financial Services and Products);
- (c) be conducted in accordance with this Agreement; and
- (d) not be an Excluded Activity. [REDACTED]

3.11 The Company shall ensure that any activities carried on pursuant to Clause 3.1(e), shall:

- (a) be ancillary or incidental to any of the Financial Services and Products and are or are reasonably likely to be customary in the sector of Financial Services and Products;
- (b) be offered or provided only to existing and/or prospective customers of Financial Services and Products;
- (c) be conducted in accordance with this Agreement;
- (d) not, under the Licensed Marks, endorse or encourage customers to cease to use or purchase the products and services of Virgin Entities in the Territory which are Excluded Activities at the time the Company first offers or provides such service and start to use or purchase similar products and services provided by a third party under a non-Virgin brand, except that, for the avoidance of doubt, the Company shall be permitted (with the same being provided on an ancillary basis to Financial Services and Products):

(i) [Redacted]

(ii) [Redacted]

(e) not be an Excluded Activity. If it is:



(i) [Redacted]

(ii) [Redacted]

3.12 The Company shall not, and shall procure that each entity within the VM Group shall not, within the Territory during the Term establish, fund or invest in any other company or business which conducts activities unrelated to the Licensed Activities using the Licensed Marks (or any mark whose use by VEL is restricted pursuant to Clause 3.13) or any mark which is confusingly similar to the foregoing. The Company shall not procure another party to do on its behalf, or purport to grant any party the right to do, anything which is not permitted under the opening sentence of this Clause 3.12. The parties agree that the

opening sentence of this Clause 3.12 shall not apply in respect of any member of the Virgin Group or any licensee of VEL.

Restrictions on VEL

- 3.13 VEL shall not without the prior written approval of the Company use (or grant any third party any rights to use):
- (a) the Licensed Marks (other than the Virgin Marks), the Legacy Brands set out in Part B of Schedule 12 or the name “Virgin Bank” or any name or mark which includes the name “Virgin Bank” or “money”, in relation to any goods or services within the Territory during the Term (provided that nothing in this Clause 3.13 (a) shall affect VEL’s rights to license the name “Virgin Health Bank”);
 - (b) the Virgin Marks or any name or mark which includes “Virgin” in relation to Financial Services and Products (other than (i) without prejudice to Clause 3.13(f) activities that are the same as or materially equivalent to those covered by paragraph (a) of the definition of “VMG Permitted Activities” or (ii) as permitted pursuant to Clauses 3.14, 3.15 and 3.16) in the Territory during the Term;
 - (c) the Legacy Brands set out in Part A of Schedule 12 in relation to Financial Services and Products (and any Legacy Domain Names which include the Legacy Brands set out in Part A of Schedule 12 in relation to Financial Services and Products) in the Territory during the Term;
 - (d) 
 - (e) 
 - (f) the “Virgin Giving” mark or any name which includes “Giving” in relation to any activities that are the same as or materially equivalent to those covered by paragraph (a) of the definition of “VMG Permitted Activities”.

VEL Reserved Rights

- 3.14 Subject to Clauses 3.13(a) and 3.22, nothing contained in this Agreement shall restrict the ability of VEL to use, or the ability of VEL to license any Virgin Entity to use, any Virgin Mark (but not the Names or any Approved Sub-Brand) or any translation thereof in relation to any of the following activities:
- (a) raising equity or debt or other finance for itself or any other Virgin Entity or making its own investments (including without limitation hedging, derivatives and/or investing in any other company or business) in any manner whatsoever;
 - (b) the provision of services and products other than the Financial Services and Products to any person;

- (c) the provision of Excluded Financial Services and Products to any person, company, firm or business, subject to Clause 3.24;
- (d) the establishment and operation of any collective investment scheme either by way of any single offer or series of related offers, to be no more than 250 private customers or private investors in circumstances where such persons might reasonably be regarded as high net worth individuals, or in the case of an offer of securities for subscription or sale, such offer is deemed not to be an offer to the public in the United Kingdom pursuant to section 86 of the Financial Services and Markets Act 2000, save that in section 86(1)(b) of such clause, the reference to "150 persons" shall be deemed replaced by a reference to "250 persons"; and/or
- (e) the provision of banking, insurance and investment services and advice to its own employees in the form of benefits provided in the normal course of business by an employer to its employees only.

3.15 Subject to Clauses 3.13(a), 3.21 and 3.22, nothing shall prevent VEL from licensing any Virgin Entity to use any Virgin Mark (but not the Names or any Approved Sub-Brands) in relation to:

- (a) the provision of payment processing, store cards and loyalty schemes or Loyalty Programmes [REDACTED];
- (b) the provision of any finance, hire purchase, credit and/or insurance in relation to (but not in isolation from) the products and/or services (not being Financial Services and Products) which that Virgin Entity offers and/or sells in the ordinary course of business;
- (c) the provision of vouchers and stored value cards redeemable as payment for the products and/or services which that Virgin Entity offers and/or sells;
- (d) access in any medium to third party branded products or services which may fall within Financial Services and Products, provided that:
 - (i) such use does not endorse or encourage customers to cease to use or purchase the Financial Services and Products provided by the Company and start to use or purchase similar products and services provided by any Virgin Entity or third party; and
 - (ii) it is clear that such products or services are not the products or services of the relevant Virgin Entity;
- (e) the personal use in the Territory by a person ordinarily resident outside the Territory of Virgin branded financial products or services provided to that person pursuant to an agreement relating to a territory outside the Territory (for example, a Virgin Money credit card issued by Virgin Money in Australia);
- (f) [REDACTED]



- (g) in the case of Virgin Atlantic, Virgin Galactic, Virgin Hyperloop, [REDACTED] and Virgin Holidays a credit card or pre-paid card made available to their customers as an ancillary part of their main business;
- (h) in the case of any Virgin Entity which operates an airline, aerospace or travel or holiday business, foreign exchange services and/or travel insurance services made available to their customers as an ancillary part of their main business;
- (i) in the case of Virgin Active, Virgin Pulse and Virgin Care, access to life and health insurance products made available to their customers as an ancillary part of their main business; and
- (j) the facilitation and advice in respect of mergers, acquisitions and security listings, fixed income sales and trading (including foreign exchange, commodities, macro (rates) and credit), proprietary trading of any type, and other forms of corporate finance advice that is ancillary to the foregoing, and the provision of advice in relation to any of the Excluded Financial Services and Products,

provided always that, in respect of sub-paragraphs (f) (to the extent the services or products are Financial Services and Products), (g), (h) and (i) above, the provisions of Clause 3.21 shall apply.

3.16 Without prejudice to Clause 3.15, but subject to Clauses 3.13(a), 3.21 and 3.22, nothing shall prevent VEL from licensing any Virgin Entity to use any Virgin Mark (but not the Names or any Approved Sub-Brands) in relation to:

- (a) any Financial Services and Products which (i) are incidental or ancillary to the core business of that Virgin Entity and (ii) are, or are reasonably likely to become, customary in the sector in which that Virgin Entity carries on its core business; and/or
- (b) the provision of payment methods (which, for the avoidance of doubt, shall not include any means by which payment is facilitated but, for these purposes, shall mean the means by which a payment is made, for example credit cards, debit cards, smart cards or any other method of payment from time to time which requires a consumer credit, or other financial licence or regulatory approval), other than those referred to in Clause 3.15(a), 3.15 (c), 3.15(f) and 3.15(g),

in each case, provided that:

- (i) doing so is not reasonably likely to (A) result in public confusion over the trade origin of those products or services nor (B) materially detrimentally affect the Company's business, the Company's ability to comply with any Applicable Laws or the value of the Names;

- (ii) the terms on which the Licensed Mark is licensed to that Virgin Entity restrict the offering or provision of the relevant products or services to the existing customers of that Virgin Entity, or to prospective customers that, at the same time or as part of a related transaction, are also purchasing goods or services that constitute part of the core business of that Virgin Entity;
- (iii) where the Company is willing and able to provide such services the Virgin Entity is obliged (A) to obtain an offer from the Company in relation to the provision of such products or services and (B) not to enter into an agreement for the provision of such products or services with a third party on terms which are on aggregate less favourable than those offered by the Company. VEL shall facilitate communications between relevant representatives of the Company and the Virgin Entity, in order to enable the Company to determine whether (and if so on what terms) it wishes to offer to provide relevant Financial Services and Products to the Virgin Entity. For the avoidance of doubt, nothing in this sub-clause (iii) shall require any Virgin Entity:
 - (a) to terminate any arrangement it has in place with any incumbent external service provider at the Novation Effective Date, and with respect to such arrangement, the Company's right to make an offer to provide any relevant services shall only apply upon expiry or renewal (save for any renewal of an arrangement where such arrangement is required by its terms to be renewed on materially the same terms) of the relevant arrangement; and
 - (b) to comply with the terms of sub-clause (iii) if the terms of the Virgin Entity's licence with VEL only requires it to do so where the Virgin Entity requires an external service provider to provide the service, and the Virgin Entity does not use an external service provider to the service.
- (iv) VEL shall use all reasonable endeavours to:
 - (a) enforce the terms described in sub-clauses (ii) and (iii) above against the relevant Virgin Entity; and
 - (b) impose provisions consistent *mutatis mutandis* with those under Clause 3.21 upon the renewal or grant of any licence to any Virgin Entity following the Novation Effective Date.
- (v) The obligation under this clause is not a one-time obligation and shall apply each and every time a circumstance set out in the first sentence in sub-clause (iii) occurs.

3.17 Nothing in this Agreement shall restrict the ability of VEL to license Virgin Red to use, or permit Virgin Red to grant sublicensees the right to use, any Virgin Red Brand for any purpose whatsoever (including in relation to Financial Services and Products and Innovations), provided that during the Term:

- (a) VEL shall ensure that neither Virgin Red nor any sublicensee of Virgin Red shall use any Virgin Red Brand in the Territory directly on any Core Product; and
 - (b) if Virgin Red or any of its sublicensees wishes to use any Virgin Red Brand in the Territory directly on any Non-Core Product being offered by, or in conjunction with, any third party financial services partner, VEL shall ensure that (i) to the extent the Company has the requisite capability, the Company is given a reasonable opportunity to submit a proposal to be the financial services partner with respect to such Non-Core Product for such role and (ii) provided any such proposal is credible and funded, Virgin Red or its relevant sublicensee (as applicable) considers any such proposal in good faith.
- 3.18 Where, in accordance with Clause 3.17, Virgin Red or any of its sublicensees uses any Virgin Red Brand in the Territory directly on any Non-Core Product, VEL shall procure that Virgin Red or that sublicensee (as applicable) uses reasonable endeavours to avoid and mitigate any confusion on the part of the Company's customers or the wider public in the Territory as between the relevant Non-Core Product and any Financial Services and Products offered by any member of the VM Group under any of the Names or Approved Sub-Brands.
- 3.19 The parties acknowledge that, due to the nature of Virgin Red's loyalty programme, the brands of other Virgin Entities and the "Virgin Points" brand may become indirectly associated with Non-Core Products which are branded with a Virgin Red Brand. By way of examples only, (i) where the use of a credit card bearing the name "Virgin Red" or "Virgin Red Rewards" results in cardholders earning the loyalty programme's currency known as "Virgin Points", such currency could be redeemed for free food or drink at a Virgin Hotel, or (ii) a cardholder of a credit card bearing the name "Virgin Red" or "Virgin Red Rewards" may be entitled to a free drink at Virgin Hotels. Any such indirect association between the brands of other Virgin Entities or the "Virgin Points" brand with Non-Core Products which are branded with a Virgin Red Brand shall not constitute a breach of this Agreement by VEL.
- 3.20 The Company undertakes that it shall not (and shall procure that no other member of the VM Group shall) enforce any right it has against VAA under the VAA Co-brand Agreement where doing so would to (i) prevent any use of the Virgin Red or Virgin Points brands in connection with financial services and products which complies with the above requirements or (ii) prevent Virgin Red from entering into any Tipping Arrangement or Currency Arrangement with a third party. As soon as reasonably practicable after Completion and following a request from VAA, the Company shall use reasonable endeavours to agree with VAA an amendment to the VAA Co-brand Agreement to remove any such right which, if enforced, would (a) prevent any use of the Virgin Red or Virgin Points brands in connection with financial services and products which complies with the above requirements or (b) prevent Virgin Red from entering into any Tipping Arrangement or Currency Arrangement with a third party.
- 3.21 ***ROFR for Company's benefit***
- (a) When, following 17 June 2018, VEL licenses a Virgin Entity (or renews, extends or amends any such licence save for any renewal of such licence where such licence is required to be extended or renewed on materially the same terms) to

use any Virgin Mark (but not the Names or any Approved Sub-Brands) in relation to any products or services described in Clauses 3.15(f) (to the extent the services or products are Financial Services and Products), 3.15(g), 3.15(h) and 3.15(i) (but, for the avoidance of doubt, excluding any licence of any Virgin Red Brand), VEL shall ensure that where the Company is willing and able to provide such services, the Virgin Entity is obliged (A) to obtain an offer from the Company in relation to the provision of such products or services and (B) not to enter into an agreement for the provision of such products or services with a third party on terms which are on aggregate less favourable than those offered by the Company. VEL shall facilitate communications between relevant representatives of the Company and the Virgin Entity, in order to enable the Company to determine whether (and if so on what terms) it wishes to offer to provide relevant Financial Services and Products to the Virgin Entity. For the avoidance of doubt, nothing in this Clause 3.21 shall require any Virgin Entity to terminate any arrangement it has in place with any incumbent external service provider at the Novation Effective Date or cease to provide such services or products itself, and with respect to such arrangement, the Company's right to make an offer to provide any relevant services shall only apply upon expiry or renewal of the relevant arrangement (save for any renewal of such licence where such licence is required to be extended or renewed on materially the same terms). For the avoidance of doubt, and without prejudice to other clauses making reference to this Clause 3.21, VEL shall procure that the products and services that are the reservations expressed in Clause 3.15(f) (in respect of Financial Services and Products) and are expressly subject to any relevant entity being subject to the obligations under this Clause 3.21 even prior to 17 June 2018. The obligation under this clause is not a one-time obligation and shall apply each and every time a circumstance set out in the first sentence occurs;

- (b) VEL shall use all reasonable endeavours enforce the terms described in sub-clause (a) above against the relevant Virgin Entity; and
- (c) The obligation under this clause is not a one-time obligation and shall apply each and every time a circumstance set out in sub-clause (a) occurs.

Limitations on VEL's Reserved Rights

- 3.22 Where VEL grants any Virgin Entity the right to use any Virgin Mark for any purpose permitted by Clauses 3.14, 3.15 and 3.16 (but, for the avoidance of doubt, excluding any licence of any Virgin Red Brand), it shall only permit that Virgin Entity to use the Virgin Mark for that purpose in the form of that Virgin Entity's principal trading name (for example "Virgin Atlantic" or "Virgin Active") and shall not permit use of the Virgin Marks for that purpose on their own.
- 3.23 Nothing in this Agreement shall affect or be deemed to amend the Existing Third Party Arrangements.
- 3.24 In the event that VEL grants a new licence to a third party to use the "Virgin" name in relation to any financial services and products other than the Financial Services and Products in the Territory, the parties shall use reasonable endeavours to avoid public

confusion which may arise between the business of the Company and the business of such other licensee.

Transition Period

3.25

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Innovation

3.26

The Company may, by written notice to VEL, propose its use of the Licensed Marks in relation to any banking, insurance, investment or financial related product or service that is not a Financial Services and Products but which it considers could reasonably be offered to customers of Financial Services or Products by any United Kingdom clearing bank or Challenger Bank at the time of the Company's notice ("**Proposed Innovation**"). Following receipt of any such notice from the Company, VEL shall consider the Proposed Innovation and shall, within thirty (30) Business Days from receipt of the Company's notice, notify the Company in writing as to whether or not it accepts the Proposed Innovation. In considering whether or not to accept the Proposed Innovation, VEL shall act reasonably and in good faith and shall use good business judgment, having regard to whether the Proposed Innovation would have a positive impact or a detrimental impact on the Licensed Marks, and provided always that VEL shall be entitled to reject a Proposed Innovation if acceptance of that Proposed Innovation would conflict with the terms of any licence for the use of the "Virgin" name which, as at the date of the

Company's notice, has already been granted by VEL to a Virgin Entity. Notwithstanding the foregoing, where any Proposed Innovation is a banking, financial, insurance or investment related product or service which is offered as Retail Services or SME and Corporate Business by an overseas equivalent to a UK clearing bank, then VEL shall accept the Proposed Innovation unless one or more of the following reasons applies: (i) the Proposed Innovation would have a detrimental impact on the Licensed Marks; (ii) acceptance of that Proposed Innovation would conflict with the terms of any licence for the use of the "Virgin" name which, as at the date of the Company's notice, has already been granted by VEL to a Virgin Entity in the Territory; and (iii) the Proposed Innovation would not satisfy all of the relevant regulatory requirements of the FCA and/or PRA (as applicable). If VEL accepts any Proposed Innovation pursuant to this Clause 3.26, that Proposed Innovation shall be deemed to be an "**Innovation**" for the purpose of this Agreement.

Rebranding and Migration Process

- 3.27 VEL and the Company agree that the VM Group shall be permitted to conduct Migration Activity and Rebranding Activity between Completion and the start of the Cessation Period in accordance with the Rebrand & Migration Arrangements.

Must-Use Requirement

- 3.28 Subject to paragraph 1.15 of Schedule 18, during the Term, and subject always to Clauses 3.3 and 3.29, the Company shall comply with the Must-Use Requirement in the Territory. Subject to meeting the Must-Use Requirement, the Company may during the Term and in the Territory use Alternative Brands in respect of activities (including Licensed Activities), in accordance with the below:

- (a) for the Term the CYBG Brands:
- (i) as part of the corporate name of any member of the CYBG Group as at the Novation Effective Date where it is reasonably required or where the Board considers it to be in the commercial interests of the VM Group to retain that name;
 - (ii) in order to issue commercial bank notes in Scotland;
 - (iii) for the purposes of asserting that any trade mark registrations which comprise any of the CYBG Brands have been put to genuine use in the Territory in respect of Licensed Activities (namely more than *de minimis* use) but not use that would reasonably be considered to actively increase the brand equity and goodwill in the relevant CYBG Brand as at the relevant time;
- (b) developing and testing with customers new product and service propositions, product/service testing and experience activities and BETA testing activities (provided that one of more of the Alternative Brands is not actively promoted to customers as the Company's "innovation" brand);

- (c) the Yorkshire Brands and Clydesdale Brands for the SME and Corporate Business;
- (d) in respect of an Acquisition (and the turnover arising from such Acquisition shall be excluded from the Group Turnover for the purposes of assessing the Must-Use Requirement);
- (e) in reasonable anticipation of, and for the duration of the Debranding Arrangements, the Alternative Brands that the Company is intending to use following termination of this Agreement;
- (f) pursuant to Clause 3.3(a);
- (g) pursuant to a Marketing Arrangement, third party partnership or other joint venture; and
- (h) other non-material "other income" uses existing as at the Novation Effective Date.

3.29 If the Group Turnover generated under Alternative Brands used (or licensed) by the Company or a member of the VM Group for the conduct of Licensed Activities in the Territory during the Term is likely to contravene the Must-Use Requirement for a period of at least a Quarter, then the Company shall achieve the Must-Use Requirement by the end of the following Quarter (including by rebranding businesses which are using Alternative Brands or expanding the existing businesses which use the Licensed Marks).

Non-Exclusive Domain Names

3.30 The Company shall also be permitted, during the Term and subject to this Agreement, to use on a non-exclusive basis only the Non-Exclusive Domain Names or such other domain name or domain names as VEL uses from time to time in relation to a shared gateway page for all of VEL's licensees for financial services throughout the world and on the understanding that the Company shall not be permitted to market or promote such domain name.

4. PAYMENT OF ROYALTIES

Royalties prior to the first Post-Completion Quarter

4.1 Subject to Clauses 4.3, 9.9 and 9.10, from the Novation Effective Date until the end of the Quarter during which Completion occurs, subject to Clause 4.2 the Company shall pay to VEL in each applicable Quarter the following royalty:

- (a) for the First Quarter, an amount that is equivalent to £3,000,000 (three million pounds sterling) for a full Quarter pro-rated in accordance with the number of days in the First Quarter;
- (b) £3,000,000 (three million pounds sterling) each Quarter during the 12 month period from the end of the First Quarter ("**Year 1**");

- (c) £3,250,000 (three million and two hundred and fifty thousand pounds sterling) each Quarter during the 12 month period following the end of Year 1 ("**Year 2**");
- (d) £3,500,000 (three million and five hundred thousand pounds sterling) each Quarter during the 12 month period following the end of Year 2 ("**Year 3**");
- (e) £3,750,000 (three million and seven hundred and fifty thousand pounds sterling) each Quarter during the 12 month period following the end of Year 3 ("**Year 4**"); and
- (f) for each subsequent 12 month period or part thereof up to, but excluding the beginning of the first Post-Completion Quarter (each a "**Royalty Period**"), (i) the Minimum Royalty divided and payable in 4 equal instalments (with one instalment becoming due and payable per Quarter); plus (ii) if applicable, 1% of the Relevant Group Turnover generated in each Quarter during the Royalty Period, less the CPI Delta for such Quarter ("**Incremental Royalty**"), noting that if the Incremental Royalty is a negative figure, it shall instead be deemed to be zero (0).

4.2 Subject to Clause **Error! Reference source not found.**, if the Group Turnover for Year 3 is greater than £2.1 billion (two billion and one hundred million pounds sterling), in substitution for the obligations contained in Clauses 4.1(e) and 4.1(f), the Company shall, commencing in Year 4 and for each Royalty Period thereafter, pay to VEL every Quarter a royalty amount equal to: (i) the Minimum Royalty divided and payable in 4 equal instalments (each becoming due and payable per Quarter); plus (ii) if applicable, 1% of the Relevant Group Turnover generated in each Quarter during Year 4 or the relevant Royalty Period as applicable less the CPI Delta for such Quarter ("**Incremental Royalty**"), noting that if the Incremental Royalty is a negative figure, it shall instead be deemed to be zero (0). The Company shall be entitled to procure that each member of the VM Group pays, on behalf of the Company, a proportionate share of any Royalty directly to VEL.

4.3 The Quarter during which Completion occurs shall be the last Quarter during which Royalties are payable pursuant to Clauses 4.1 or 4.2, and the Royalty for that last Quarter shall be the Royalty as calculated in accordance with Clauses 4.1 or 4.2 (as applicable) (and, if this Agreement is terminated prior to the end of that Quarter, pro rated based on the number of days between the start of that Quarter and the date prior to the date on which this Agreement is terminated).

4.4 Within five (5) Business Days of the Company's market announcement on trading at end of each Quarter in respect of which royalties are payable pursuant to Clauses 4.1 or 4.2 (or, if the Company is no longer listed, within ten (10) Business Days of the end of each such Quarter), the Company shall provide VEL with a statement certified as accurate by an authorised representative of the Company showing:

- (a) the Group Turnover by source of revenue; and
- (b) the Royalty due under Clauses 4.1 or 4.2 for the relevant Quarter on such Group Turnover,

(the "**Quarterly Statement**").

- 4.5 Within five (5) Business Days of receipt of the Quarterly Statement, VEL shall invoice the Company (issuing a VAT receipt) for the royalties due in respect of the relevant Quarter.

Royalties from the first Post-Completion Quarter

- 4.6 Subject to Clauses 4.7, 9.9 and 9.10, from the start of the first Post-Completion Quarter and during the remainder of the Term, the Company shall pay to VEL in respect of each applicable Post-Completion Quarter a fixed royalty of GBP £3,750,000 (three million seven hundred and fifty thousand pounds sterling).

- 4.7 If:

(a) VEL terminates this Agreement in accordance with Clause 9.4 (other than in accordance with Clause 9.4(h)), the last Post-Completion Quarter during which Royalties are payable shall be the Post-Completion Quarter during which the earlier of (i) the 4th anniversary of Completion and (ii) the end of the Cessation Period, occurs, and the Royalty for that last Post-Completion Quarter shall be the fixed royalty amount in Clause 4.6 pro rated based on the number of days between the start of that Post-Completion Quarter and the earlier of (i) the 4th anniversary of Completion and (ii) the end of the Cessation Period;

(b) this Agreement terminates in any circumstances other than those to which Clause 4.7(a) applies, the Post-Completion Quarter during which the Agreement is terminated shall be the last Post-Completion Quarter during which Royalties are payable, and the Royalty for that last Post-Completion Quarter shall be the fixed royalty amount in Clause 4.6 pro rated based on the number of days between the start of that Post-Completion Quarter and the date prior to the date that the Agreement terminates.

- 4.8 Within five (5) Business Days of the end of each Post-Completion Quarter in respect of which royalties are payable pursuant to Clause 4.6, VEL shall invoice the Company (issuing a VAT receipt) for the royalties due in respect of that Post-Completion Quarter.

Lump Sum Payments

- 4.9 The Company agrees to pay VEL GBP £250,000,000 (two hundred and fifty million pounds sterling) in consideration for VEL agreeing to the amendments in the Deed of Amendment and Restatement, in two equal instalments as follows in two equal instalments as follows:

(a) a first non-refundable payment of GBP £125,000,000 (one hundred and twenty-five million pounds sterling) payable within twelve (12) Business Days following Completion; and.

(b) a second non-refundable payment of GBP £125,000,000 (one hundred and twenty-five million pounds sterling) payable by no later than the first anniversary of Completion. VEL shall provide invoices in respect of these amounts in good time before the payment deadlines above.

Invoicing and Payment Terms

- 4.10 The Company shall pay all invoices within five (5) Business Days of the date of invoice in GBP sterling by way of bank transfer to VEL's nominated account.
- 4.11 Excluding any underpayment of Royalties by the Company which is identified in its Reconciliation Statement and paid in accordance with Clause 4.14(d), if any other payment to be made by the Company under this Agreement is not received by VEL on or before the date of payment (including without limitation as a result of any failure by the Company to provide the Quarterly Statement when due), VEL may charge interest at the rate of [REDACTED] per annum above the base rate of Lloyds Bank PLC from the due date for payment to the date when payment is actually received (both before and after any court judgment). Such interest shall be payable immediately on demand and shall accrue on a daily basis.
- 4.12 All sums payable under this Agreement are exclusive of VAT (or similar tax) and shall be paid free and clear of all deductions and withholdings whatsoever, unless the deduction or withholding is required by law. Should the Company, or its permitted assignee of this Agreement, move its jurisdiction of domicile outside of the Territory and as a consequence of that move including any change in Applicable Law in such new jurisdiction of domicile (as opposed to any change of domicile of VEL or its assignee) any deduction or withholding from the payment of Royalties is required by law the Company (or its permitted assignee) shall pay to VEL such sum as shall, after the deduction or withholding has been made, leave VEL with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding. If the Company is required by law to make a deduction or withholding, the Company shall, within five (5) Business Days of making the deduction or withholding, provide a statement in writing showing the gross amount of the payment, the amount of the sum deducted and the actual amount paid.
- 4.13 VEL and the Company will cooperate to agree whether all or part of the payments pursuant to Clause 4.9 are subject to VAT (including, if the Company so requests, that a clearance application is made to HMRC to determine the VAT treatment).

Financial information and records

- 4.14 The Company shall supply to VEL:
- (a) within ninety (90) days of the end of Year 3, a statement certified as accurate by an authorised representative of the Company showing the amount of Group Turnover generated in Year 3 for each Quarter as well as the total amount generated in Year 3 and whether or not it reached the annualised Threshold Amount;
 - (b) within thirty (30) days of publication of the same, a copy of the audited consolidated accounts of the VM Group for each financial year during the Term and for the first financial year after the expiry or termination of this Agreement;
 - (c) within one hundred and twenty (120) days after the end of each Annual Accounting Date, a reconciliation between Group Turnover for the relevant Accounting Period (as shown in the audited profit and loss account), and the Incremental Royalty and Quarterly Statements provided to VEL during the

Company's financial year, audited by the Company's auditors (the "**Reconciliation Statement**"). The Reconciliation Statement shall provide a detailed description of each of the reconciling items;

- (d) where the Reconciliation Statement reveals an underpayment of any amount due to VEL, the amount of such underpayment shall be paid in full by the Company to VEL within twenty (20) days following receipt of a relevant VAT invoice from VEL. Where the Reconciliation Statement reveals an overpayment of any amount due to VEL, the amount of such overpayment shall be set off against the Royalties due for the following Quarter save in the case of the Reconciliation Statement issued after the Final Quarter whereupon VEL shall reimburse Company for the overpayment within thirty (30) days of Reconciliation Statement; and
 - (e) any other information relating to the Reconciliation Statement as may be reasonably requested by VEL.
- 4.15 The Company shall keep suitable records and accounts in order to demonstrate that the correct Royalties have been paid to VEL. All such records and accounts shall be available during normal business hours for audit by an independent chartered accountant on behalf of VEL who is subject to customary confidentiality obligations provided that no audit may be undertaken for an Accounting Period for which a Reconciliation Statement has not been provided but is not overdue. The auditor may only declare any discrepancy in Royalty payments and the amount of such discrepancy. If an audit reveals a discrepancy in the Royalties paid, the Company shall, unless it disputes the finding, promptly pay the shortfall to VEL. If the shortfall is more than 5% of the correct figure due in the audited period, the Company shall reimburse VEL for any documented professional charges reasonably incurred for such audit. VEL should only be entitled to conduct one audit in any calendar year and only one audit for a relevant audit period.
- VEL shall, and shall procure that the independent accountant shall use all reasonable endeavours to minimise the disruption caused to the Company's business in conducting any audit pursuant to this Clause 4.15.
- 4.16 All books of account and records referred to in this Clause 4 shall be kept and made available for inspection for at least 6 years after the end of the financial year to which those books of account and records relate.
- 4.17 A copy of all financial information, statements, and records to be provided to VEL under this Clause 4 shall be provided by email to VEL [REDACTED].
- 4.18 A worked example showing how the Group Turnover should be calculated is included at Schedule 10.
- 4.19 Clauses 4.14 to 4.18 shall only apply in respect of Quarters up to and including the Quarter in which Completion occurs and shall not apply in respect of any Post-Completion Quarters.

5. CONDITIONS OF USE

Business

5.1 The Company shall:

- (a) comply with, and ensure that all products and services provided as part of the Licensed Activities and all related marketing and advertising comply with, all Applicable Laws and with good industry practice in the Territory;
- (b) obtain, maintain and comply with all necessary consents, licences and authorisations and all other formalities required in connection with the provision of the Licensed Activities within the Territory and shall notify VEL if there are any changes, or imminent changes of which the Company is aware, in legislation, regulations, policy or procedures which will materially adversely affect the ability of the Company to carry on its business;
- (c) conduct the Licensed Activities to standards consistent with those of a reputable bank and in accordance with transparent, honest and ethical business practices (whether dealing with employees, the public, the business community, shareholders, customers, suppliers, competitors or governmental and regulatory bodies) consistent in the UK banking sector;
- (d) employ reasonably sufficient numbers of staff having the appropriate level of training in and experience of carrying out the Licensed Activities; and
- (e) adopt and comply with its own reasonable policies in respect of sustainability, including (i) the use of finite resources and (ii) [REDACTED]

[REDACTED]
[REDACTED] The Company shall ensure that its policies relating to the matters described in this Clause 5.1(e) are consistent with those of a reputable bank and any standards agreed with VEL pursuant to Clause 5.12.

Brand

5.2 The Company shall, and shall procure that the VM Group shall:

- (a) in the Territory:
 - (i) during the Term, make genuine and bona fide use of the Licensed Marks in relation to the Licensed Activities subject to its rights herein;
 - (ii) prior to commencement of the Cessation Period and subject to paragraph 1.15 of Schedule 18, use all reasonable endeavours to promote and expand the Licensed Activities under the Names in the ordinary course of business through the evolution of new product lines for, and by continuing to accept new customers for, any Financial Services or Products offered by the VM Group under the Names;

- (b) ensure, subject to Clause 5.2(d), that Promotional Materials shall comply with the VM Identity Guidelines;
- (c) on reasonable written request from VEL, provide for review reasonable quantities of free samples of any Promotional Materials made publicly available which bear, or make use of, the Licensed Marks. If following review it is established that the samples do not comply with the Virgin Brand Identity Guidelines, the VM Identity Guidelines and/or the terms of this Agreement, VEL may on giving written notice to the Company require the Company to cease use of those Promotional Materials as soon as reasonably practicable;
- (d) in the event that proposed Promotional Materials do not come within the scope of the VM Identity Guidelines or where the Company has reasonable doubt as to whether any of the Promotional Materials bearing the Licensed Marks may or may not comply with the VM Identity Guidelines or otherwise with the terms of this Agreement, the Company shall submit such Promotional Materials to VEL for approval in advance. The Company shall not use such Promotional Materials until approved in writing by VEL, such approval not to be unreasonably withheld, and to be given or withheld within ten (10) Business Days. If approval is not given or withheld within such period, the Company may use the Promotional Materials;
- (e) display the following statement (or any other similar statement as notified in writing from VEL to the Company on a reasonable basis) on the Website and otherwise as agreed with VEL from time to time:

“VIRGIN and the Virgin Signature logo are registered trade marks of Virgin Enterprises Limited and are used under licence”; and

- (f) not, without the prior written consent of VEL, enter into any arrangement in relation to sponsorship of any third party, or association of the Licensed Marks with any third party's goods or services, or the sponsorship by any third party of aspects of the Licensed Activities, [REDACTED]

5.3 Where the Company obtains any approval from VEL for Promotional Materials pursuant to Clause 5.2(c) or 5.2(d), the Company shall be entitled to continue using those Promotional Materials in all material respects without the need for any further consents from VEL, subject always to (i) any reasonable conditions imposed by VEL as part of the granting of the initial consent and (ii) Clause 5.4.

5.4 [REDACTED]

5.5 The Company acknowledges that the value and reputation of the Licensed Marks are such that they denote high quality status and are synonymous with the Brand Purpose and the Brand Values. The Company agrees to:

- (a) ensure that any services supplied under the Licensed Marks and any goods to which (or to the packaging of which) the Licensed Marks are applied are of a style, quality and appearance so as to maintain this value and reputation; and
- (b) reflect the Brand Purpose and the Brand Values (including in relation to customers and people) in its conduct of the Licensed Activities.

The parties shall, through the Brand Board, consider and discuss the measures implemented by the Company to ensure that the Licensed Activities are being conducted by the Company to reflect the Brand Purpose and the Brand Values.

5.6 The Company shall use reasonable endeavours to conduct its business and the Licensed Activities to reflect the Customer Experience Standards, People Experience Standards, Brand Health Standards and Contact and Consent Guidelines.

Group

5.7 The parties shall use reasonable endeavours to work together in order to determine how they can most appropriately participate in and promote certain Virgin Group activities and initiatives including:

- (a) group-wide and inter-company promotions and cross-selling, including web-based group promotional activities such as promotion of the virgin.com website;
- (b) employee focused initiatives and activities including, but not limited to, group employee discount scheme (Tribe) and distribution of and contribution of content towards group internal communications such as group intranet and group magazine (Roger);
- (c) Virgin Unite, the non-profit foundation of the Virgin Group (and its leadership initiatives the Elders and the B Team);
- (d) environmental, corporate social responsibility and sustainability activities and initiatives;
- (e) people management initiatives and activities, including functional fora; and
- (f) any Virgin Group branded Loyalty Programme established by VEL or an Affiliate of VEL.

Review

5.8



5.9

5.10

[REDACTED]

[REDACTED]

[REDACTED]

Brand Enhancement Activities

- 5.11 During each Brand Enhancement Period, the Company shall ensure that the VM Group incurs out-of-pocket costs in the conduct of Brand Enhancement Activities which, in aggregate, equal or exceed the Annual Enhancement Amount for that Brand Enhancement Period.
- 5.12 Within thirty (30) days of the start of each Brand Enhancement Period, the Company shall provide VEL with a written overview of its anticipated Brand Enhancement Activities for that Brand Enhancement Period together with its anticipated budget for each such Brand Enhancement Activity.
- 5.13 By no later than forty-five (45) days following the end of each Brand Enhancement Period, the Company shall provide VEL with a written report summarising all Brand Enhancement Activities undertaken in that Brand Enhancement Period together with a breakdown of out-of-pocket costs incurred in respect of each such Brand Enhancement Activity.

- 5.14 Following receipt by VEL of any overview or report provided by the Company in accordance with Clauses 5.12 or 5.13, the Company shall respond as soon as reasonably practicable to any reasonable query raised by VEL in relation to that overview or report.

Change of Control of Company

- 5.15 Following any Permitted Change of Control of the Company or transfer or assignment of this Agreement by the Company to an Affiliate that is not the ultimate Holding Company of the Company in accordance with the provisions of Clause 7.5, the Company shall on the written request of VEL procure that the ultimate Holding Company of the person who acquires Control of the Company procure that a Subsidiary of that ultimate Holding Company with reasonably sufficient financial standing and creditworthiness to guarantee the due performance of this Agreement (the “**Guarantor**”) shall on the date of such change of Control enter into a deed of guarantee with VEL substantially in the form set out in Schedule 21 (the “**Guarantee**”) pursuant to which the Guarantor agrees to guarantee the Guaranteed Obligations.
- 5.16 In the event that VEL reasonably considers that the financial standing and creditworthiness of Guarantor is no longer sufficient to guarantee the due performance of this Agreement by the Company or the Guarantor ceases to be a member of the ultimate Holding Company’s Group, VEL may, by written notice, request that the Guarantee is terminated and replaced with an equivalent deed of guarantee (on terms substantially similar and no more onerous to the Guarantee) between VEL (as beneficiary) and another Subsidiary of the ultimate Holding Company of the Company with reasonably sufficient financial standing and creditworthiness selected by the ultimate Holding Company.
- 5.17 The Company shall use reasonable endeavours to notify VEL of a proposed sale of the entire issued share capital of the Company to a third party (a “**Proposed Sale**”) on an anonymous basis as to the identity of the acquirer. Where the Company notifies VEL of a Proposed Sale, VEL shall make itself available to discuss the ongoing use of the Licensed Marks under this Agreement in the context of the Proposed Sale with the third party and the Company and will act reasonably in doing so, provided always that VEL shall not be required to do anything or consider any proposal which would prejudice any of VEL’s commercial interests under this Agreement or in relation to the Virgin Group or any Virgin Entity.

Company Acquisitions

- 5.18 If the business of the Acquisition conducts a Prohibited Activity, VEL will notify the Company of the same in writing within thirty (30) days of VEL having notice of the Acquisition, and VEL shall have the right to terminate this Agreement immediately on written notice within fifteen (15) days of VEL’s notice, provided that the Company has not reversed such Acquisition within ten (10) days.

6. TRADE MARK PROTECTION

6.1

[Redacted]

[Redacted]

[Redacted]

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[REDACTED]

6.16

[REDACTED]

6.17

[REDACTED]

7. DEALINGS/SUB-LICENSING

7.1 Subject to Clause 7.5, the rights granted under this Agreement are personal to the Company and the Company shall not delegate, assign, sub-license, sub-contract, mortgage or charge any of those rights to any third party without the prior written consent of VEL which, in the case of a sub-license, shall not be unreasonably withheld or delayed and provided that, in addition to any other conditions which VEL may specify:

(a) the Company ensures that it does so in compliance with Applicable Laws and in such a way as to reasonably safeguard (and mitigate so far as possible the risk of damage to) the reputation of the Licensed Marks and the quality of the Company's customer service;

(b) the Company shall give VEL notice in writing of any such sub-license;

- (c) the Company shall be responsible for any acts and omissions of its sub-licensee as if the Company itself had performed those acts or made those omissions;
- (d) the Company shall ensure that each sub-licence shall:
 - (i) be in writing; and,
 - (ii) provide that the sub-licence shall automatically and immediately terminate on termination of this Agreement;
- (e) the Company shall take such steps as are reasonably necessary to minimise disputes and/or negative public relations coverage and/or negative staff and consumer perceptions relating to the provision of services by the relevant sub-licensee; and
- (f) the Company shall ensure that the business of any sub-licensee is compatible with the Brand Obligations and that the business of the sub-licensee does not involve carrying on a Prohibited Activity.

7.2 Notwithstanding the provisions of Clause 7.1, the Company may sub-licence (and a member of the VM Group may further sub-licence) on terms equally favourable to VEL as, and consistent with, those in this Agreement the rights granted under this Agreement in whole or in part to:

- (a) a member of the VM Group without the consent of VEL provided the terms of Clause 7.1(c) and 7.1(d) apply;
- (b) any third party without the consent of VEL through a single tier (save that such third party may further sub-licence the whole or part of those rights, without a further right of sub-licence, within its own Group) in respect of any Licensed Activities, provided that the terms of Clauses 7.1(a), 7.1(c) to 7.1(e) apply; and
- (c) any third party without the consent of VEL through a single tier (save that such third party may further sub-licence the whole or part of those rights, without a further right of sub-licence, within its own Group) in respect of any arrangement permitted pursuant to Clause 5.2(f), provided that the terms of Clauses 7.1(a), 7.1(c) to 7.1(e) apply,

provided that in respect of any sub-licence granted pursuant to Clause 7.2(b) or 7.1(c) VEL may, upon reasonable request, be provided with a list of current licences granted to such third parties and provided further that neither the Company nor any member of the VM Group shall be entitled to grant a sub-licence to a business which carries on a Prohibited Activity.

Royalty treatment of sub-licences

7.3 In this Clause 7.3, the following terms shall have the following meanings:

“Relevant Sub-Licensee Turnover” means, in respect of a sub-licence, any turnover (net of customary deductions such as taxes, bad debts, refunds etc.) of the relevant sub-

licensee generated from Licensed Activities under the Licensed Marks permitted under that sub-licence;

The following shall apply to sub-licences granted under this Clause 7:

(a) in the case of any sub-licences which are Grandfathered Sub-Licences, any economic benefit (including any revenue, fee or commission) received by the VM Group in connection with each such sub-licence with the relevant sub-licensee shall be included as net other income (i.e. B) for the purposes of the definition of Group Turnover;

(b) [REDACTED]

(c) [REDACTED]

(d) in the case of any sub-licence which is not a Grandfathered Sub-Licence granted to a sub-licensee under which the sub-licensee offers products or services to the Company's existing or prospective customers under the Licensed Marks, any turnover by any sub-licensee generated from Licensed Activities under the Licensed Marks permitted under each such sub-licence shall be included in the definition of Group Turnover as C (but, for the avoidance of doubt, any fee or commission also received by the VM Group in relation to the Licensed Activity shall be excluded from the definition of Group Turnover as G); and

(e) where the Company has sub-licensed the Licensed Marks to a third party for a technical trade mark law purpose as opposed to permit the third party to market and sell products and services overtly by explicit reference to the Licensed Marks, such sub-licence shall be deemed equivalent to a sub-licence under (c) above; and

(f) [REDACTED]

[Redacted]

and, accordingly, be subject to a Royalty. For the avoidance of doubt:

(i) where any turnover (net of customary deductions such as taxes, bad debts, refunds etc.) by any sub-licensee generated from Licensed Activities permitted under each such sub-licence shall be included in the definition of Group Turnover as C, the relevant turnover (net of customary deductions such as taxes, bad debts, refunds etc.) of the sub-licensee is strictly limited to turnover generated under the Licensed Marks, and not the sub-licensee's turnover generated other than under the Licensed Marks;

(ii) [Redacted]

(iii) [Redacted]

(iv) [Redacted]

[REDACTED]

[REDACTED]

- (v) the obligation to re-negotiate under sub-Clause 7.3(b) is not intended to be a one-off obligation, and will, subject to Clause 7.3(f), continue to apply and re-apply at each extension, renewal or amendment, until the Grandfathered Sub-Licence ceases to be a Grandfathered Sub-Licence in accordance with sub-Clause 7.3(b).

7.4 The parties acknowledge and agree that all sub-licences (other than the sub-licences which are replaced by sub-licences set out in the side letter entered into pursuant to Clause 2.3) granted by the Company or any other member of the VM Group pursuant to any Replaced Agreement (“**Existing Sub-Licence**”) shall remain in full force and effect notwithstanding the restatement and replacement of that Replaced Agreement by this Agreement, and from the Commencement Date all such Existing Sub-Licences shall be deemed to constitute valid sub-licences under this Agreement without the need for any amendment or variation of such Existing Sub-Licences. Nothing in this Agreement shall affect any accrued rights or liabilities of either VEL or the Company (or the members of their respective Groups) whether under statute, in contract, tort or otherwise, nor prevent either party from pursuing other remedies available to it in respect of any act, omission or breach of any Existing Sub-Licence which occurred prior to the Commencement Date.

Assignment and transfer

7.5 [REDACTED]

[REDACTED]

[REDACTED]

7.6 [REDACTED]

7.7 [REDACTED]

[REDACTED]

7.8

[REDACTED]

7.9

[REDACTED]

8. WARRANTIES AND INDEMNITIES

8.1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8.2



8.3 The Company shall be liable for and shall indemnify VEL (together with its officers, servants and agents) against any and all liability, loss, damages, costs (save for internal management time expended), reasonably incurred legal and professional costs and other reasonably incurred expenses of any nature whatsoever incurred or suffered by VEL arising out of any dispute or contractual, tortious or other claims or proceedings brought against VEL by a third party claiming relief against VEL, or any TM Action controlled by the Company, by reason of:

- (a) the engagement in the Licensed Activities by the Company; or
- (b) the use by the Company of the Licensed Marks in breach of this Agreement,

except insofar as any such claims under either sub-clauses (a) or (b) may arise from any negligence or breach of this Agreement by VEL or relate to a claim that the use of the Licensed Marks in accordance with the terms of this Agreement infringes third party intellectual property rights, provided that VEL shall:

- (i) give the Company written notice of any such claim as soon as reasonably practicable after becoming aware of the same;
- (ii) allow the Company to have full conduct of the defence, any counterclaim or settlement of such claim and not without the consent of the Company (which shall not be unreasonably withheld or delayed) admit liability for or settle or compromise the claim; and
- (iii) provide the Company with reasonable assistance in the conduct of the claim provided that the Company reimburses VEL for its reasonable or properly incurred costs and expenses (other than internal management costs).

8.4 VEL shall be liable for and shall indemnify the Company (together with its Affiliates, officers, servants and agents) against any and all liability, loss, damages, costs (save for internal management time expended), reasonably incurred legal and professional costs and other reasonably incurred expenses of any nature whatsoever incurred or suffered by Company arising out of any dispute or contractual, tortious or other claims or proceedings brought against Company by a third party claiming relief against Company for the use by the Company of the Licensed Marks in accordance with this Agreement infringing that third party's intellectual property rights, or any TM Action controlled by or on behalf of VEL, except insofar as any such claims may arise from any negligence or breach of this Agreement by Company, provided that Company shall:

- (a) give VEL written notice of any such claim as soon as reasonably practicable after becoming aware of the same;

- (b) allow VEL to have full conduct of the defence, any counterclaim or settlement of such claim and not without the consent of VEL (which shall not be unreasonably withheld or delayed) admit liability for or settle or compromise the claim; and
- (c) provide VEL with reasonable assistance in the conduct of the claim provided that VEL reimburses Company for its reasonable and properly incurred costs and expenses (other than internal management costs).

8.5

Liability Cap

8.6 Each party's and their respective Affiliates' total aggregate liability for any and all liability, loss, damages, costs and other expenses of any nature whatsoever or howsoever incurred or suffered (or as may be incurred or suffered) by the other party (and by any and all third parties that by virtue of this Agreement have any rights hereunder including under 1999 Act or otherwise) as a result of any claim or right under, breach of, or otherwise in any connection with this Agreement (including any claims under any indemnities, but excluding any obligation for Company to pay Royalties to VEL or to pay any amount due in accordance with Clause 4.9 to VEL) shall be limited to GBP £200,000,000 (two hundred million pounds sterling).

No Exclusion

8.7 Nothing in this Agreement shall limit or be construed to limit in any way any liability a party (or its respective Affiliates) may have to the other party (or its Affiliates) under this Agreement in respect of (i) death or personal injury caused by that party's (or its respective Affiliates') negligence; (ii) any fraud or fraudulent misrepresentation or (iii) any other liability which, by rule of law, may not be excluded or limited by contract between parties.

9. TERM, TERMINATION AND EFFECTS OF TERMINATION

9.1 This Agreement commenced on the Commencement Date and this Agreement and the licences granted hereunder shall continue until terminated in accordance with the remaining provisions of this Clause 9,

(the "Term").

9.2 This Agreement shall terminate automatically, without the need for notice from either party, on the 4th anniversary of Completion.

9.3 Should VEL consider Company is in and remains in material breach of this Agreement which is capable of remedy, and wishes to serve notice under Clause 9.4(c) or Clause 9.4(h) to terminate this Agreement, then before any notice is validly served under Clause

9.4(c) or Clause 9.4(h) VEL must first give Company prior written notice of the breach (a “**Material Breach Notice**”). Where VEL gives a Material Breach Notice under this Clause 9.3, this shall immediately engage the Escalation Procedure.

9.4 VEL shall have the right to terminate this Agreement forthwith by written notice to the Company:

- (a) on thirty (30) days' prior written notice if the Company challenges VEL's ownership of, entitlement to license (save to the extent that such licence would be in breach of this Agreement) and/or the validity of the Licensed Marks unless any such challenge is withdrawn within the thirty (30) days following written notice from VEL; or
- (b) if the Company is Insolvent; or
- (c) subject to Clause 9.3, if the Company is in and remains in material breach of this Agreement (including any persistent breaches of any provision of this Agreement, which together amount to a material breach of this Agreement) which, if capable of remedy, has not been cured pursuant to and within the period specified in the Escalation Procedure and Remedial Plan at Schedule 16; or
- (d) if the Company in material breach of this Agreement commits any act or omission which: (i) results in the Names being brought into serious disrepute which cannot be remedied within a thirty (30) day period; and, (ii) has had, or is reasonably likely to have, a material adverse impact on the Virgin Marks and the Virgin Group; or
- (e) within thirty (30) days of completion of the change of Control if the Company undergoes a change of Control other than a Permitted Change of Control, and upon such notice the provisions of Clause 9.6 shall apply to the Company as though this Agreement had been terminated; or
- (f) if a Guarantee is not entered into by the Guarantor pursuant to Clause 5.15 within twenty (20) Business Days of the date of the Permitted Change of Control of Company;
- (g) in accordance with Clause 5.18; or
- (h) subject to Clause 9.3 and paragraph 1.15 of Schedule 18, immediately if the Company deliberately and intentionally materially breaches and remains in material breach of Clause 3.28, or transfers a material proportion of the Group's assets out of the Group (excluding any bona fide arm's length transactions, or where required pursuant to any law, regulation, regulatory authority direction or bona fide reorganisation) deliberately and intentionally to circumvent and deprive VEL of substantially all of the intended economic benefit of this Agreement, and (it being accepted that any breach of Clause 3.28 or the transfer of assets out of the Group is always capable of remedy) such material breach or deliberate transfer has not been cured pursuant to and within the period specified in the Escalation Procedure and Remedial Plan at Schedule 16 (except that the period specified in paragraph 1.9(a) of Schedule 16 shall be twelve (12) months), and

upon termination being effective under this sub-clause (h) only, the Company shall, in full, final and irrevocable settlement of any and all claims VEL may have against the Company, whether known or unknown and howsoever arising, pay to VEL an amount equal to the Royalties that would have been payable by the Company to VEL in respect of the period between the date of termination and the 4th anniversary of Completion had this Agreement not been terminated plus, if it has not yet been paid or become payable, any payment under Clause 4.9, such payment to be made within thirty (30) Business Days of the date of termination.

9.5 The Company shall have the right to terminate this Agreement:

- (a) if, at any time during the Term, VEL or any Virgin Entity (or any of their respective employees, directors, agents or representatives) commits any act or omission which: (i) results in the Virgin Marks being brought into serious disrepute which cannot be remedied within a thirty (30) day period to Company's reasonable satisfaction; or (ii) has had, or is reasonably likely to have, a material adverse impact on the Company's business; forthwith by written notice to VEL if an order is made or an effective resolution is passed for the winding-up of VEL (except for the purpose of a solvent amalgamation or bona fide reconstruction); and
- (b) forthwith by written notice to VEL if a liquidator, receiver, administrator, administrative receiver or other similar officer is appointed in respect of VEL or an encumbrancer takes possession of any material part of VEL's assets.

9.6 Subject to Clause 9.4, upon termination of this Agreement for any reason, the Company shall:

- (a) within the Cessation Period cease to use as a sign in the course of trade any of the Licensed Marks (including without limitation in relation to the Permitted E-Presence);
- (b) within the Cessation Period remove from any establishment or place all representations of the Licensed Marks used as a sign in the course of trade including without limitation all signs or display material bearing the Licensed Marks;
- (c) within the Cessation Period take reasonable steps to destroy any materials (other than materials constituting business records of the VM Group or materials digitally stored in archive) in its possession or under its control which reproduce or display the Licensed Marks;
- (d) within the Cessation Period change its name to a name that does not incorporate the word Virgin, or anything confusingly similar to, synonymous with or a translation or transliteration thereof;
- (e) after the Cessation Period, refrain from using the Licensed Marks as a sign in the course of trade at any time in the future and not hold itself out in any way as a licensee of VEL and/or as licensed or entitled to use the Licensed Marks and otherwise refrain from any action that would constitute any infringement of the

Licensed Marks or amount to passing off of a current ongoing relationship between it and VEL; and

- (f) within the Cessation Period cease to make any use of any signs, displays, advertising, publicity or promotional materials in the course of trade which incorporate the name, likeness or voice of Richard Branson.

9.7 Nothing in Clause 9.6 shall require the Company or any member of the VM Group to:

- (a) undertake any debranding activities to the extent doing so would be contrary to Applicable Law or require removal of a sign or mark that is not used as a sign in the course of trade;
- (b) recall any products or materials bearing the Licensed Marks which are already in the possession of customers at the date of termination of this Agreement; or
- (c) recall, sanitise or destroy any business records, historic products or materials bearing or incorporating the Licensed Marks which are in its possession or control or which it reasonably requires to retain in order to meet its document retention policy or satisfy any Applicable Laws or customer requests (for example, a customer's request for a historic bank statement bearing the Licensed Marks).

9.8 VEL and the Company agree that the debranding of the Licensed Marks required by Clause 9.6 shall be undertaken in accordance with the Debranding Arrangements and each party shall bear their own costs incurred in connection with those Debranding Arrangements.

9.9 [REDACTED]

9.10 Where VEL has terminated this Agreement in accordance with Clause 9.4 (other than in accordance with Clause 9.4(h)), the Company shall be obliged to continue to pay Royalties until the earlier of (i) the 4th anniversary of Completion and (ii) the end of the Cessation Period.

9.11 Termination of this Agreement shall be without prejudice to the rights and liabilities of any party which may have accrued up to the date of such termination.

9.12 [REDACTED]

9.13 Save as provided under this Clause 9, VEL shall have no other right to terminate this Agreement including under any right according to common law.

9.14 The end of the Term shall not affect the coming into force or the continuance in force of Clauses 2.2, 4.14 (for up to three (3) years after termination), 6.1(b), 6.1(c), 6.8, 8.4 to 8.7, 9.4(h), 9.6 to 9.14, 10.7(d), 10.9, 15, 16 and 17 or any other provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after the end of the Term.

10. INFRINGEMENTS AND INJUNCTIVE RELIEF

10.1 [Redacted]

10.2 [Redacted]

10.3 [Redacted]

10.4 [Redacted]

10.5

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10.7

10.8

[REDACTED]

10.9

[REDACTED]

10.10

[REDACTED]

10.11

[REDACTED]

10.12

[REDACTED]

11. GOVERNANCE

Board Observer

11.1 Without prejudice to any other rights that VEL or any of its Affiliates may have to appoint and maintain a Director from time to time, VEL shall at all times during the Term be entitled from time to time to appoint, remove, or reappoint one natural person to attend as an observer at each and every meeting of the Board and each and any committee of the Board established from time to time (the “**Board Observer**”).

11.2 The Board Observer shall have the right to:

- (a) attend and speak at all meetings and committees of the Board but shall not be entitled to vote and shall not be taken into account or required for the purposes of establishing a quorum; and
- (b) to the extent permitted by privilege, Applicable Laws and any relevant Regulatory Authority, have access to unredacted copies of all papers and other materials submitted to the Board (including any such materials relating to any Brand-related Regulatory Issues).

11.3 Any nomination, removal or reappointment of the Board Observer by VEL under Clause 11.1 shall be made by written notice to the Company.

- 11.4 The Company shall, within ten (10) Business Days after the date of the notice from VEL, procure that the person so nominated or removed is invited or uninvited (as the case may be) to or from (as the case may be) all future meetings or committees of the Board and, in the case of an invitation, is so invited on the terms of a letter of appointment containing: (i) appropriate confidentiality provisions; and (ii) a covenant from the Board Observer to observe any restrictions under any Applicable Laws to which the Company alerts the Board Observer (the “**Letter of Appointment**”).
- 11.5 If the appointment of the person so nominated as Board Observer is objected to by the FCA, PRA or any applicable regulatory authority having legitimate jurisdiction over the Company, the Company and VEL shall consult with each other in good faith concerning such objection and the Company and VEL shall use all reasonable endeavours to agree a replacement Board Observer.
- 11.6 Prior to the appointment of the Board Observer pursuant to this Clause 11, VEL shall consult with the Board in advance regarding the identity, qualifications and suitability of the person proposed to be appointed. No Board Observer shall be appointed or continue in position if the Company (in its reasonable opinion) determines that such appointment or continuation would have a material adverse effect on the reputation or good standing of the Company.
- 11.7 Upon termination of this Agreement, the Company shall procure the removal of the Board Observer from all invitations for future meetings of the Board and any committees of the Board.
- 11.8 The Company agrees that it shall not propose any resolution to its shareholders which would, if passed, remove, reduce, restrict, impair or otherwise prejudice the rights and powers of VEL and the Board Observer set out in this Clause 11 or any Letter of Appointment.
- 11.9 The Company may by notice in writing to VEL immediately terminate the appointment of the Board Observer if the Board Observer commits a material breach of his obligations under the Letter of Appointment.
- 11.10 The Company shall procure that the Board Observer is:
- (a) notified of all meetings of any Directors; and
 - (b) provided with all material information provided to any Director,
- in each case, at/in substantially the same time, form and manner as it is provided to such Director.
- 11.11 Where the Board Observer receives information on a confidential basis in a capacity other than as a Board Observer, the Board Observer shall not be obliged to disclose that information to the Board or the Company. The provisions of this Clause 11.11 shall be without prejudice to the Board Observer's duty under any Letter of Appointment or as required by applicable law or regulation, to the extent that the possession of such confidential information creates a conflict of interest for the Board Observer.

Information

- 11.12 Subject to the provisions of Clause 15, VEL agrees to treat (and shall procure that its Board Observer and each member of the Virgin Corporate Group treats) as Confidential Information all information provided to it and/or to any of its Affiliates under this Agreement.
- 11.13 Subject to Clause 15 and to the requirements of privilege, Applicable Laws or any Regulatory Authority, the Board Observer shall be entitled to disclose any information received under or in connection with this Agreement to VEL or to any member of the Virgin Corporate Group.

Brand Board and Brand Strategy Plan

- 11.14 [Redacted]
- 11.15 [Redacted]
- 11.16 [Redacted]

Procedure on Conflict

- 11.17 Each party shall (and shall use reasonable endeavours to procure, so far as it is properly able, that, in the case of VEL, each of its Affiliates and, in the case of the Company, each other member of the VM Group, shall) only enter into, vary, amend, novate, enforce, abrogate or terminate any agreement between any member of the VM Group (on the one hand) and VEL or any of its Affiliates (on the other hand), or waive any rights arising under such agreement, where a majority of the Independent Directors determines that there is an actual conflict of interest between any member of the VM Group (on the one hand) and VEL or any of its Affiliates (on the other hand) (together, a “**Conflict**”), with the approval of:
 - (a) a majority of the Independent Directors, or
 - (b) a Board committee which does not include the Board Observer, and

any Director who has a conflict of interest, direct or indirect, in any such matter by virtue of his position as a director, partner or employee of VEL or any of its Affiliates shall not be permitted to vote on any resolution of the Board which relates to the Conflict, or to receive confidential information concerning such Conflict unless a majority of the Independent Directors deems it appropriate that such Director should be permitted to vote, or to provide such information to such Director.

11.18 The approval under Clause 11.17 may be specific for a particular transaction, agreement or relationship or general for a particular type of transaction, agreement or relationship and may be granted conditionally or unconditionally.

12. ANTI BRIBERY

12.1 Neither party shall engage in or solicit any activity, practice or conduct which would constitute or result in an offence by either party under applicable anti-bribery laws or regulations, including the Bribery Act 2010.

12.2 Each party shall devise, implement and enforce its own written anti-bribery policies and procedures constituting adequate procedures under the Bribery Act 2010.

13. INSURANCE

13.1 The Company shall take out and maintain with a reputable insurance company a policy or policies of insurance maintained in the ordinary course of business by a UK based bank to provide a reasonably considered level of cover in respect of ordinary risks which may be incurred by the Company in carrying out its business, including death or personal injury, loss of or damage to property or any other losses normally covered by general insurances.

13.2 The Company shall have and maintain in place comprehensive and effective crisis management policies and procedures.

14. DATA

14.1 [REDACTED]

14.2 [REDACTED]

15. CONFIDENTIALITY

- 15.1 For the purposes of this Clause 15, “**Confidential Information**” means all information (whether marked “confidential” or not) disclosed by whatever means by one party (the “**Disclosing Party**”) either directly or from any person associated with the Disclosing Party, to any other party (the “**Receiving Party**”) which concerns the business, operations or customers of the Disclosing Party or its Affiliates and includes the provisions and subject matter of this Agreement, the negotiations relating to this Agreement and any agreements or documents executed by the parties in connection with this Agreement. Notwithstanding the foregoing, the Rebranding Activities, Migration Activities, Brand Strategy Plan and information disclosed at the Brand Board on behalf of Company in respect of plans for developing offerings through its Ecosystem and proposed innovations and shall be deemed Company's Confidential Information and, notwithstanding the provisions of this Clause 15 may not be disclosed by or on behalf of VEL to any Virgin Entity which is not a member of the Virgin Corporate Group without the Company's prior written consent.
- 15.2 Each party shall keep, and procure that each of its Affiliates shall keep, the Confidential Information confidential and not disclose it to any person, other than as permitted under this Clause 15 or with the Disclosing Party's consent.
- 15.3 Clauses 15.2 and 15.4 shall not apply to the disclosure of Confidential Information if and to the extent:
- (a) required by any law or by regulation of any country with jurisdiction over the affairs of the Receiving Party; or
 - (b) required by the Listing Rules or any other rules of any competent authority or securities exchange on which securities of the Receiving Party or any member of its Group are listed; or
 - (c) with respect to the terms of this Agreement, reasonably required for the purposes of inclusion in any prospectus or shareholder circular in relation to Admission (and any subsequent prospectus, offering memorandum or shareholder circular published following Admission) or in relation to any sale of, or subscription for, the share capital or other securities (including debt securities) of the Receiving Party or any Holding Company of the Receiving Party; or
 - (d) as usual for the management of a transparent, professional relationship with HMRC, consistent with the behaviour of an entity that is a signatory to the Banking Code of Practice; or
 - (e) required by any court of competent jurisdiction, tax authority or any competent judicial, governmental, supervisory or regulatory body; or
 - (f) that such information is in the public domain other than through breach of this Clause 15,

provided that in the case of paragraphs (a), (b) and (c) the Receiving Party shall to the extent reasonably practicable and permitted by such law, regulation, rules or body

promptly notify in writing the Disclosing Party and co-operate with the Disclosing Party regarding the timing and content of such disclosure and any action which the Disclosing Party may reasonably wish to take to challenge the validity of such requirement.

- 15.4 The Receiving Party may disclose Confidential Information to its Affiliates and to its, and its Affiliates' employees, directors, agents, sub-contractors, rating agencies, (including, in the case of VEL, Virgin Group Holdings Limited, Virgin Management Limited, Virgin Management SA or any other entity within the Virgin Group which provides management or advisory services to members of the Virgin Group from time to time) on a "need-to-know" basis and on confidentiality terms substantially equivalent to those set out in this Clause 15, or to any of its professional advisers or lenders under a duty of confidentiality, and notwithstanding the foregoing it shall not disclose any Confidential Information to any person that could reasonably be considered to be a competitor of the Disclosing Party (save for any disclosure by VEL that is necessary as a result of the granting or enforcement of security or otherwise in connection with a financing arrangement or proposed financing arrangement of VEL with any such competitor).
- 15.5 The parties acknowledge that the Confidential Information disclosed by or on behalf of the Company pursuant to this Agreement may include inside information within the scope of the Market Abuse Regulation, and price sensitive information and that behaviour in relation to any securities of any member of the VM Group may amount to "market abuse" unless and until such Confidential Information is generally available.
- 15.6 The provisions of this Clause 15 shall survive any termination of this Agreement.

16. NOTICES

- 16.1 Any notice or communication given pursuant to this Agreement shall be in writing in English and, unless otherwise provided, shall be made by hand, fax or first class post (provided that in the case of facsimile transmission, the notice is confirmed by being delivered by hand or sent by first class post within forty-eight hours). Notice shall not be validly served by e-mail.
- 16.2 Any notice or other communication to be given by one party to another under this Agreement shall (unless one party has by no less than 5 Business Days' notice to the other party specified another address) be given to that other party at the address set out below:

Address for notices to VEL:

[Redacted address for notices to VEL]

Address for notice to the Company:

[Redacted address for notice to the Company]



16.3 Any notice or other communication given by any party shall be deemed to have been received:

- (a) in the case of a notice given by hand, at the time of day of actual delivery;
- (b) if communicated by fax, with a confirmed receipt of transmission of all pages from the receiving machine, on the day on which transmitted; and
- (c) if posted, by 10am on the second Business Day following the day on which it was despatched by first class mail postage prepaid,

provided that a notice given in accordance with the above but received on a day which is not a Business Day, or on a Business Day after 6.p.m., shall be deemed to have been received at 9 a.m. on the next Business Day. References to time in this Clause 16 are to local time in the country of the addressee.

16.4 This Clause 16 shall not apply in relation to the service of any claim form, notice, order judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement.

17. GENERAL

17.1 The failure or delay by either party in any one or more instances to insist upon strict performance or observance of any one or more of the terms of this Agreement or to exercise any remedy, privilege or right provided by law or under this Agreement shall not be construed as a waiver of any breach or right to enforcement of such terms or to exercise such remedy, privilege or right.

17.2 The rights and remedies of each of the parties under or pursuant to this Agreement are cumulative, may be exercised as often as such party considers appropriate and, subject to Clause 9.13, are in addition to its rights and remedies under general law.

17.3 No variation of any provision of this Agreement shall be effective unless it is in writing, expressed to vary this Agreement and is signed by authorised representatives of each of the parties.

17.4 The provisions of this Agreement shall be binding upon and inure to the benefit of VEL and the Company and their respective successors in title and assignees permitted in accordance with the terms of this Agreement.

17.5 If any provision of this Agreement is found by any court or other authority of competent jurisdiction to be illegal, invalid or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this Agreement, but that shall not affect the legality, validity or enforceability of any other provision of this Agreement in that

jurisdiction or the legality, validity or enforceability in other jurisdictions of that or any other provision of the Agreement.

17.6 In relation to its subject matter, this Agreement sets out the entire agreement between the parties and supersedes all prior agreements, arrangements or understandings between them. The parties acknowledge that they have not entered into this Agreement in reliance upon any statement, representation, assurance or warranty which is not set out in this Agreement. Nothing in this Clause 17.6 shall limit or exclude any liability for wilful misconduct, negligence fraud or fraudulent misrepresentation.


17.7 Nothing in this Agreement shall be deemed to constitute a partnership or joint venture or contract of employment between the parties nor constitute either party the agent of the other. Neither party shall act or describe itself as the agent of the other, nor shall it make (or represent that it has authority to make) any commitments on the other's behalf, including the making of any representation or warranty and the exercise of any right or power.

17.8 This Agreement may be signed in any number of counterparts and this has the same effect as if the signatures on counterparts were on a single copy of this Agreement. Each counterpart, when executed, shall constitute an original of this Agreement, but all the executed counterparts shall together constitute a single instrument.

17.9 Each party agrees at its own expense to use all reasonable endeavours to do or procure to be done all such further acts and execute or procure the execution of all such documents as the other may from time to time reasonably require for the purpose of giving the other the full benefit of the provisions of this Agreement.

17.10 For the purpose of section 1(2) of the Contract (Rights of Third Parties) Act 1999 (the "1999 Act") the parties do not intend any term of this Agreement to be enforced by any third party, and the parties agree that:

- (a) they may amend or vary or terminate all or any part of this Agreement without the consent of any person who is not a party to this Agreement; and
- (b) this does not affect any third party right which exists or is available independently of the 1999 Act.

17.11 

17.12 Any dispute, claim or controversy arising out of or in connection with this Agreement ("**Dispute**"), shall be referred by either party first to the First Tier Representatives of each

of the parties for resolution. If the Dispute cannot be resolved by the First Tier Representatives of the parties within fourteen (14) days after the Dispute has arisen, either party may give notice to the other party in writing ("**Dispute Notice**") that a Dispute has arisen. Within seven days after the date of the Dispute Notice, the Dispute shall be referred to Second Tier Representatives of each of the parties for resolution. If the Dispute is not resolved by agreement in writing between the parties within fourteen (14) days after the date of the Dispute Notice, the Dispute shall be resolved in accordance with Clause 17.13. Nothing in this Clause 17.12 shall be construed as limiting in any way the right and remedies of a party, including without limitation to seek injunctive relief, with respect to any act or omission of the other party.

17.13 This Agreement and all matters (including any contractual or non-contractual disputes or claims) arising out of or in connection with it, its subject matter or formation shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English courts.

IN WITNESS WHEREOF this Agreement has been executed and delivered as a deed by the authorised representatives of the parties on the day and year first written above.

SCHEDULE 1
Banking Licences and Investment and Insurance Licence

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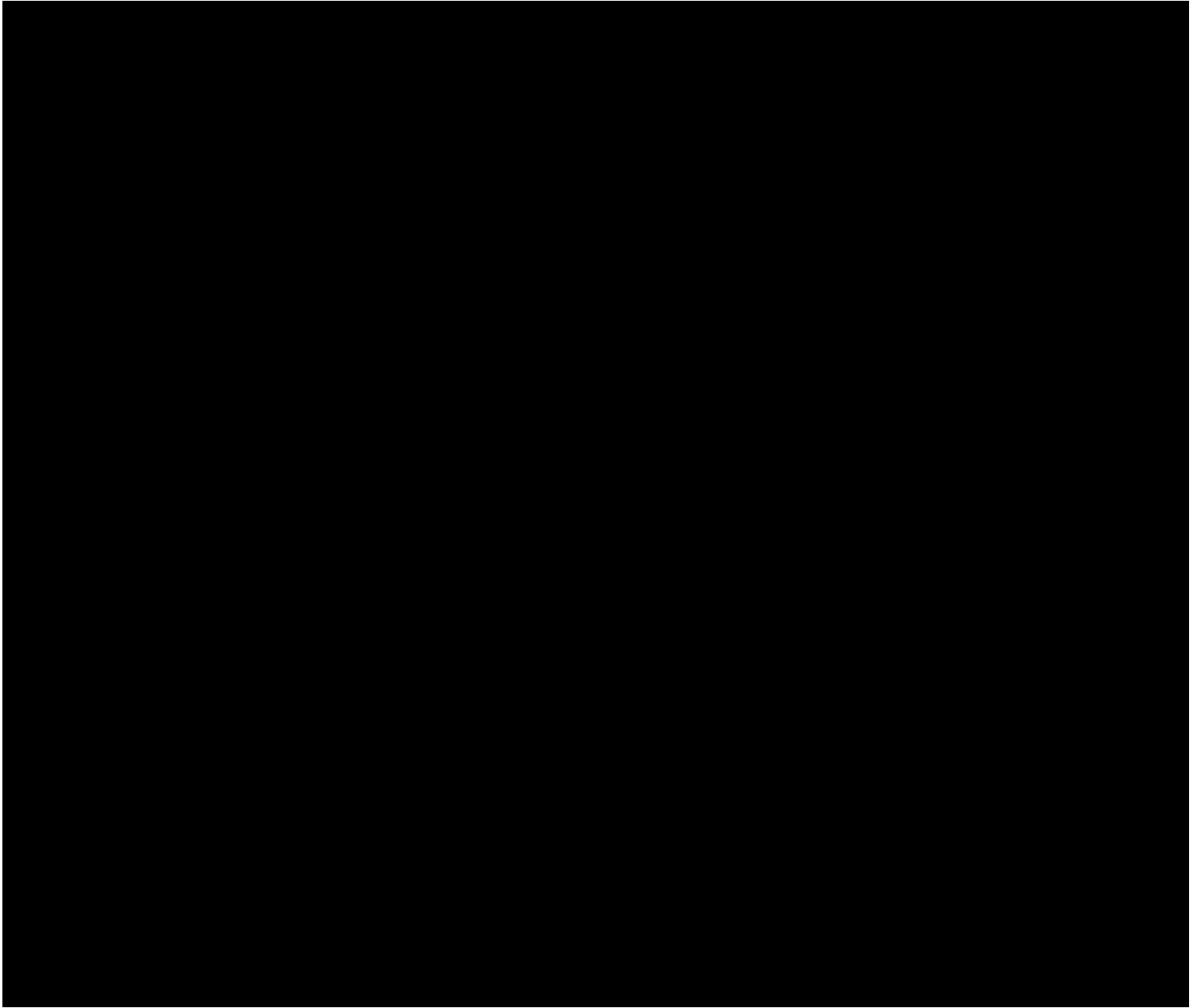
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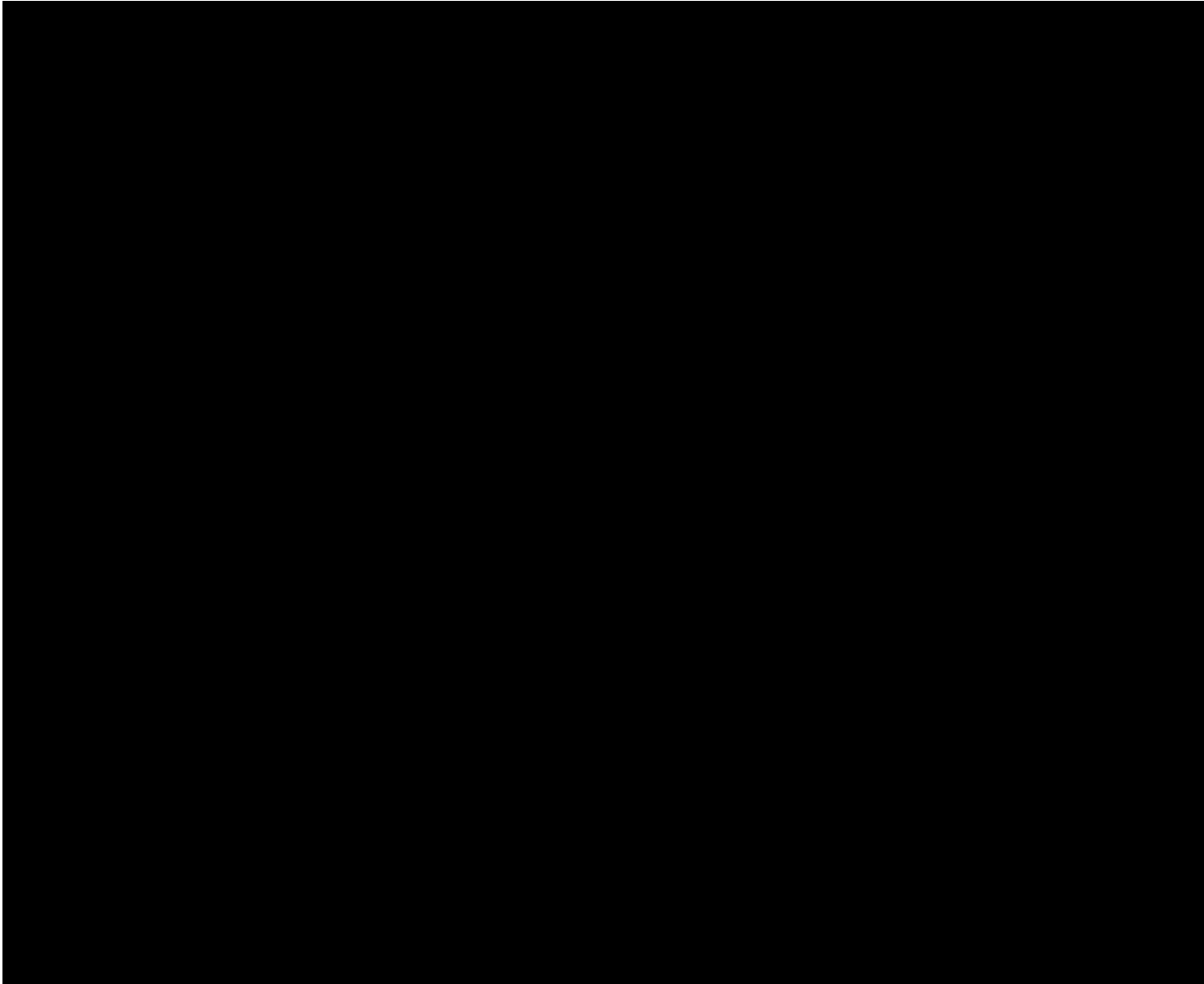
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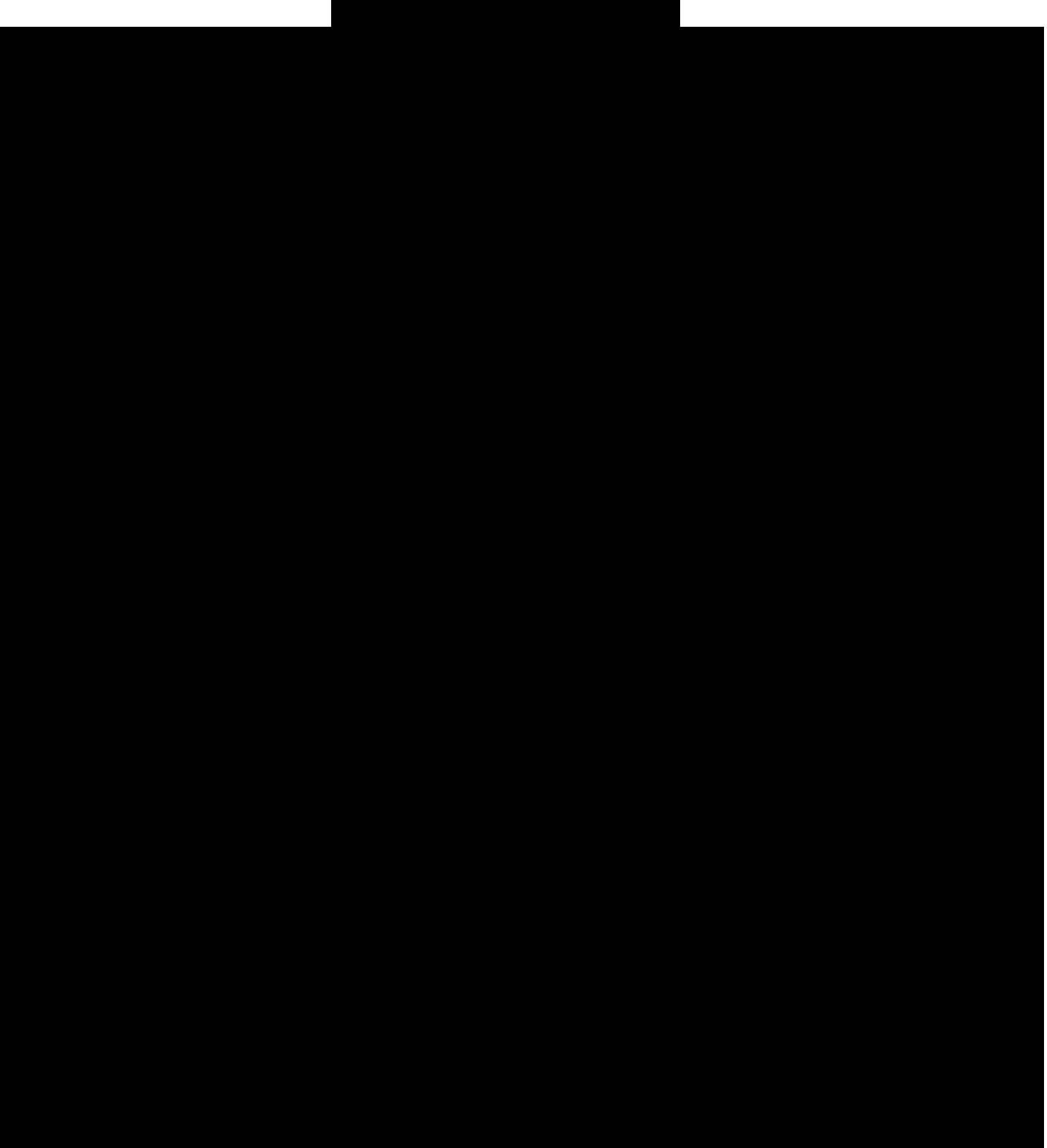
SCHEDULE 2A
Virgin Signature Logo

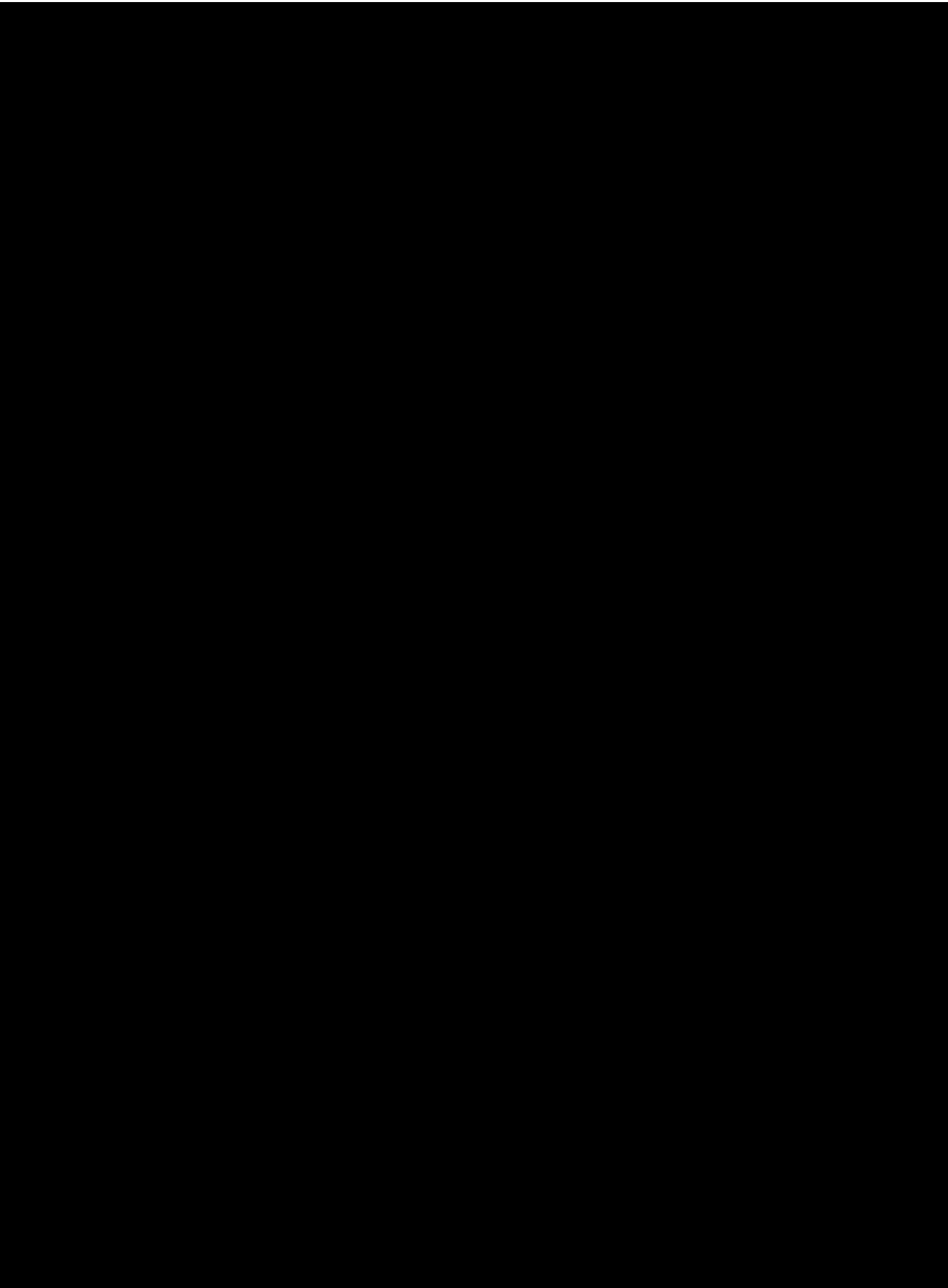


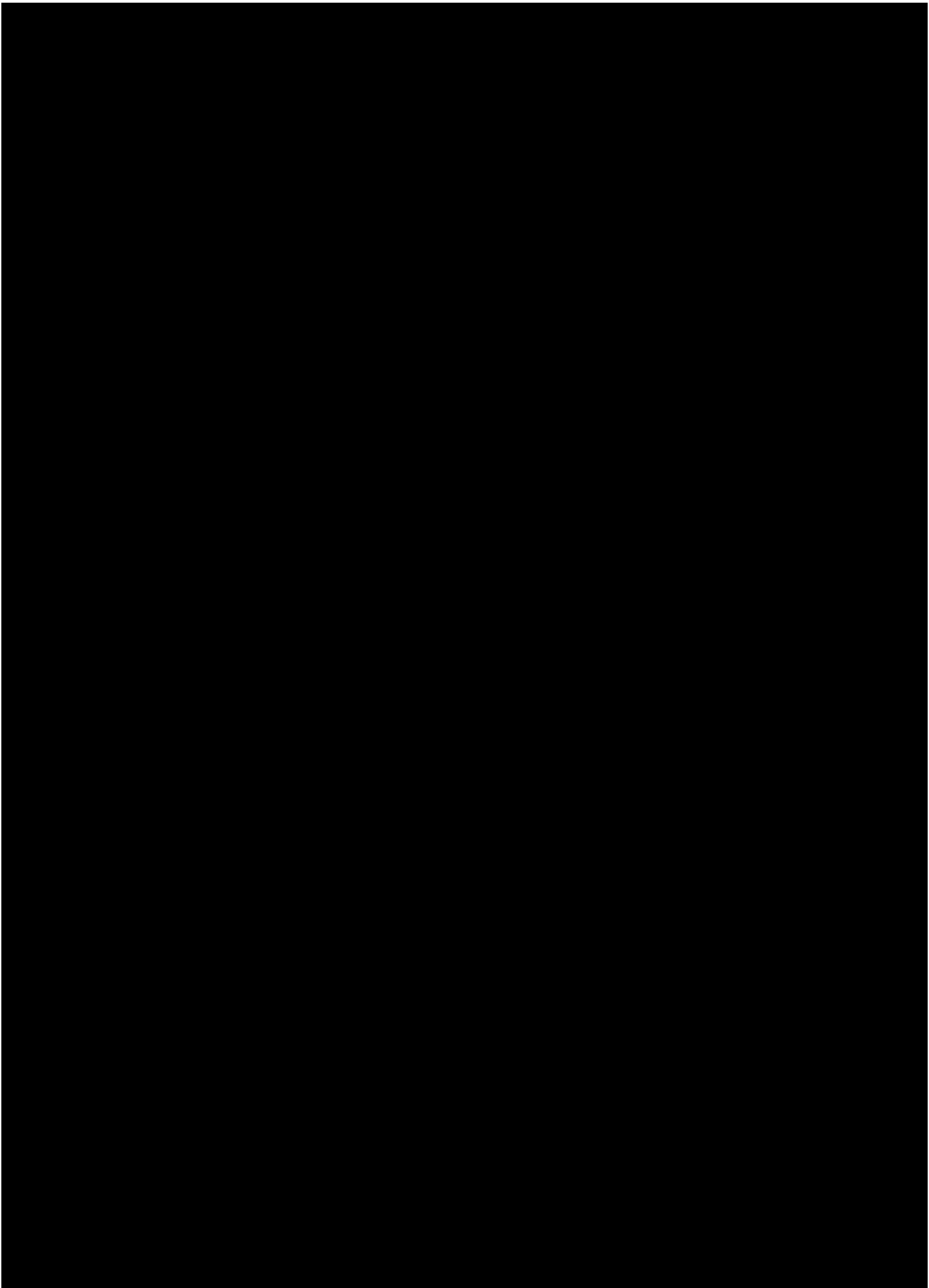
SCHEDULE 2B
Virgin Marks Trade Mark



SCHEDULE 3
Virgin Money Logo







SCHEDULE 3B
Registrations in respect of the Names

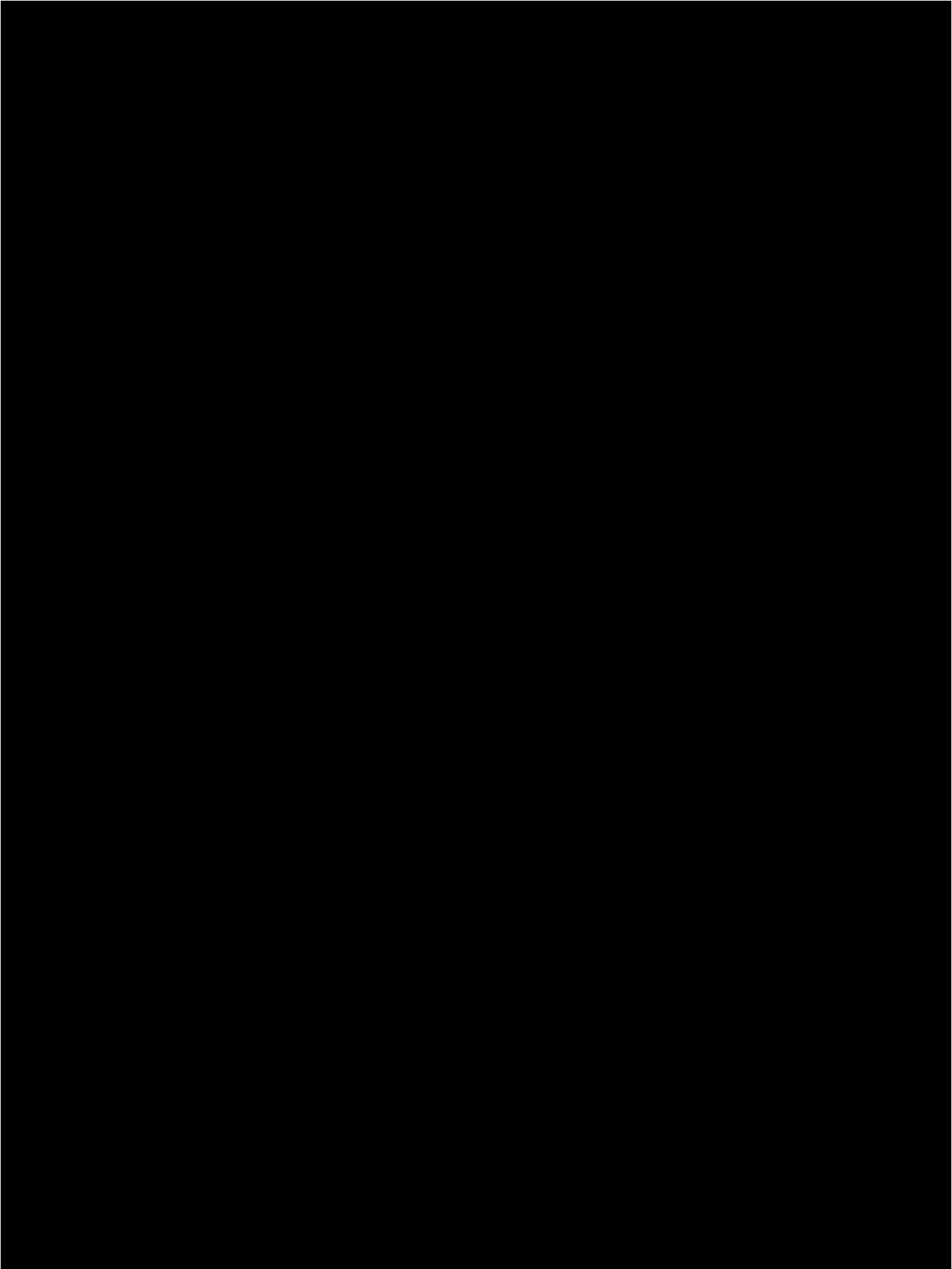
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SCHEDULE 3C
Registrations in respect of the Approved Sub-Brands

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**SCHEDULE 4
Brand Board**

[REDACTED]

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**SCHEDULE 5
Contact and Consent Guidelines**

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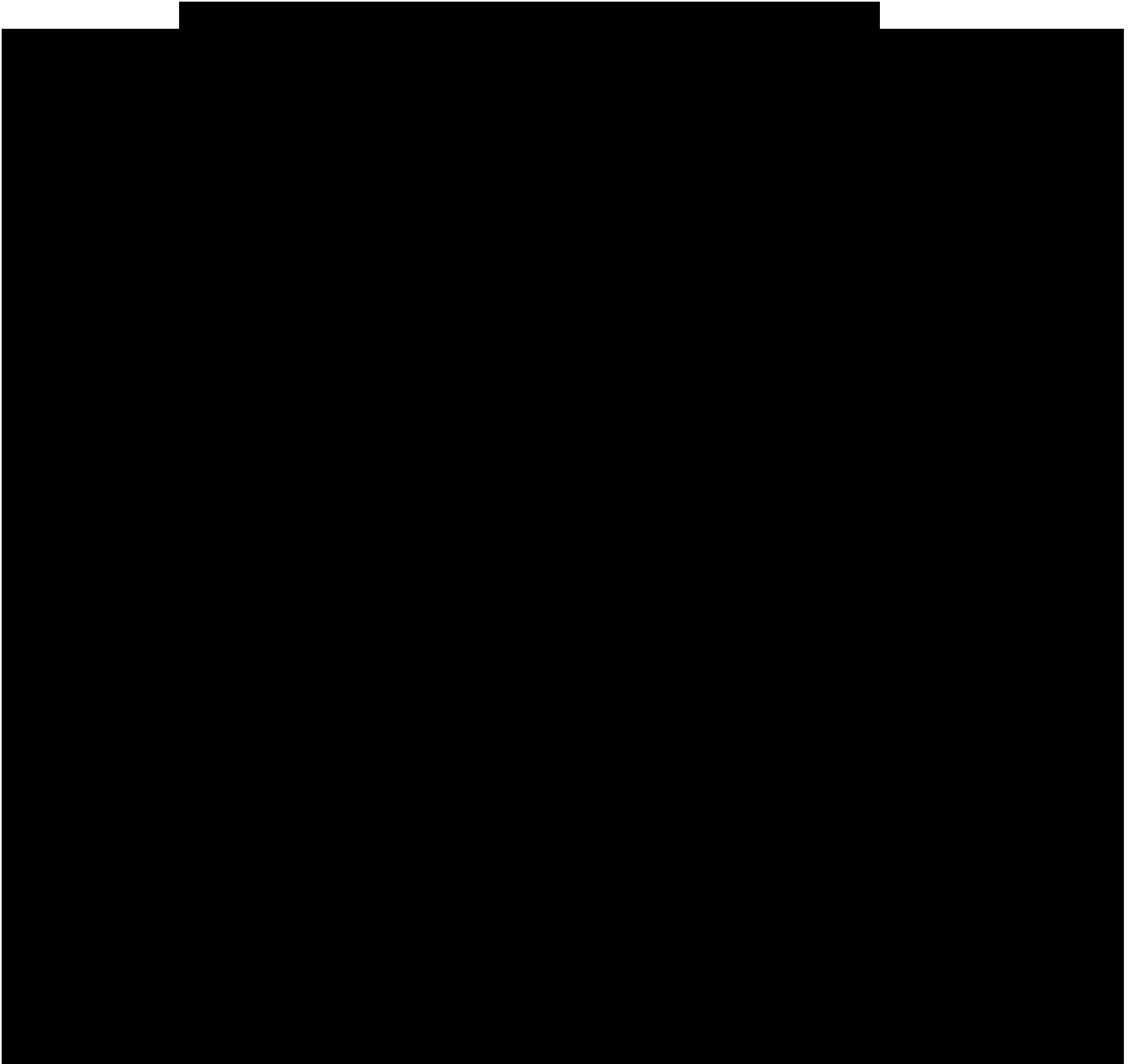
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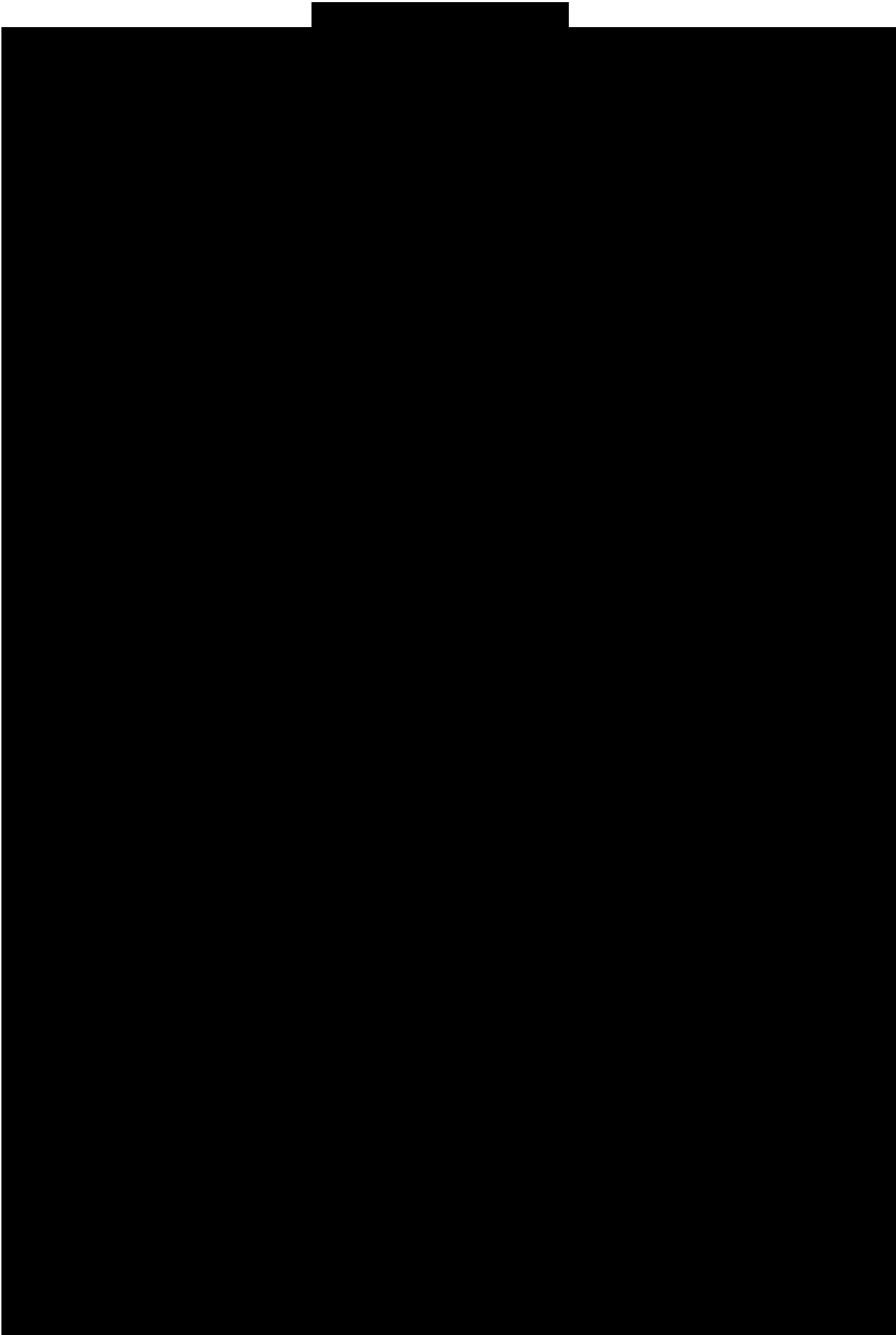
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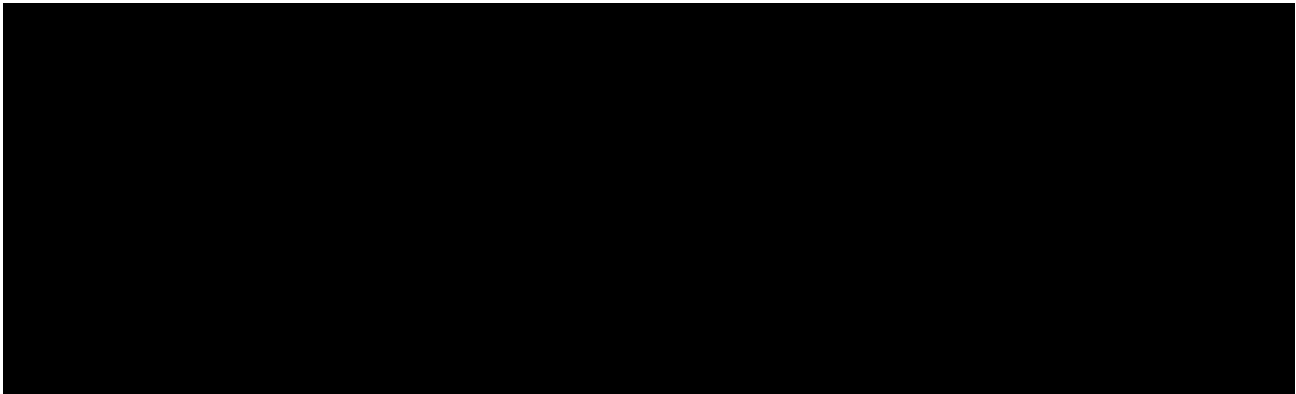
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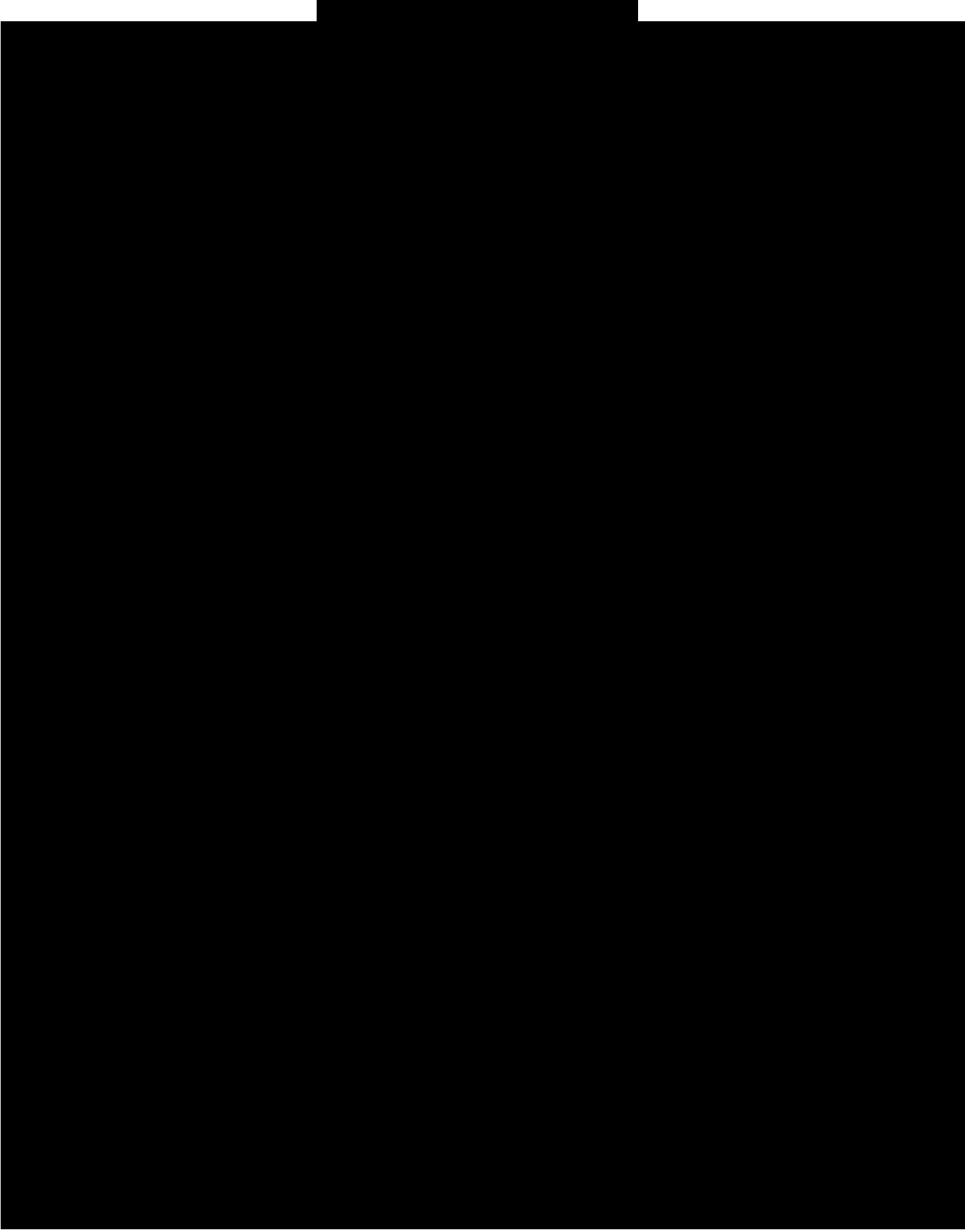
SCHEDULE 6
Customer and People Experience Standards

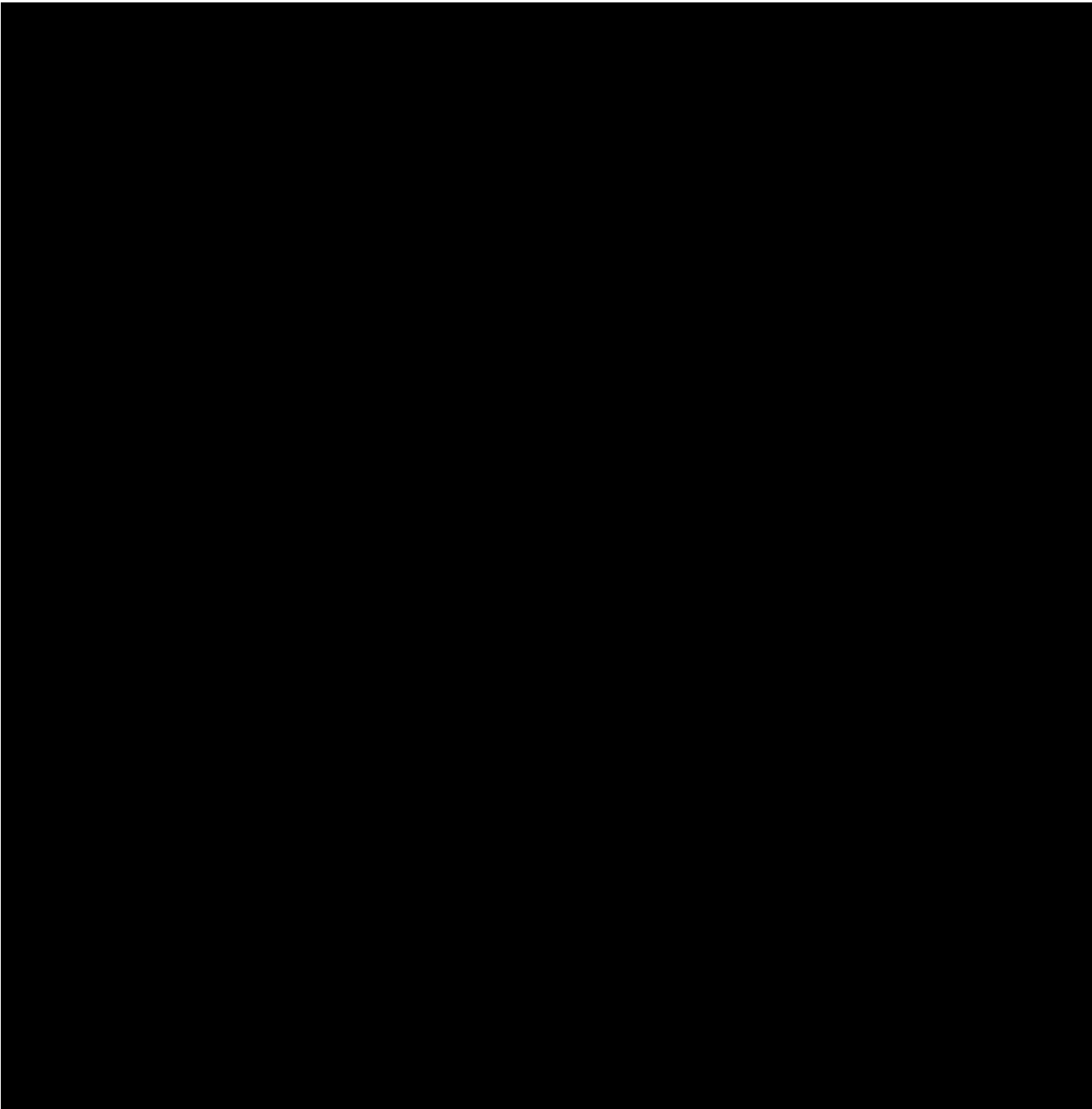






SCHEDULE 7
Excluded Activities





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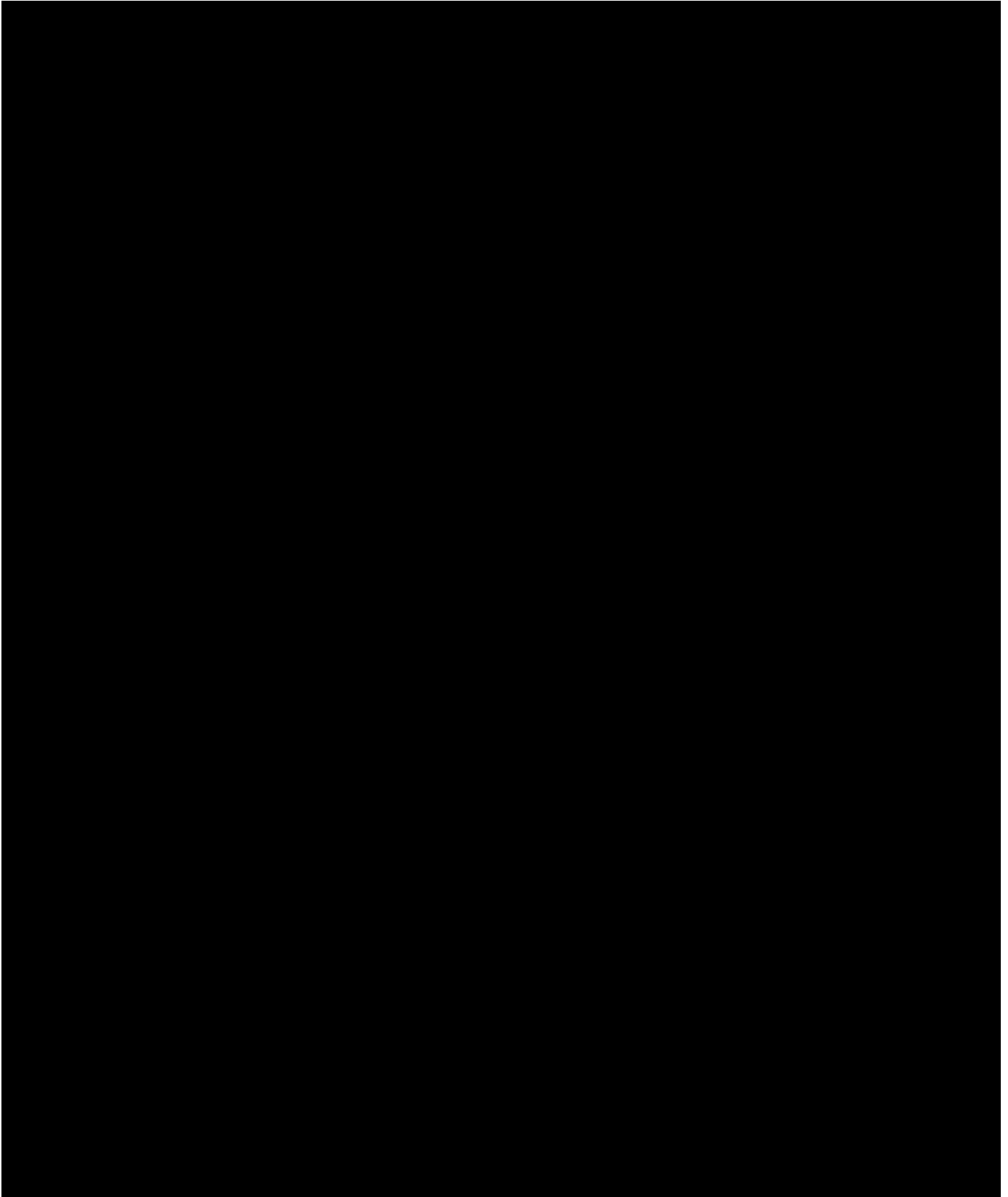
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SCHEDULE 8
Approved Card Design



**SCHEDULE 9
Domain Names**

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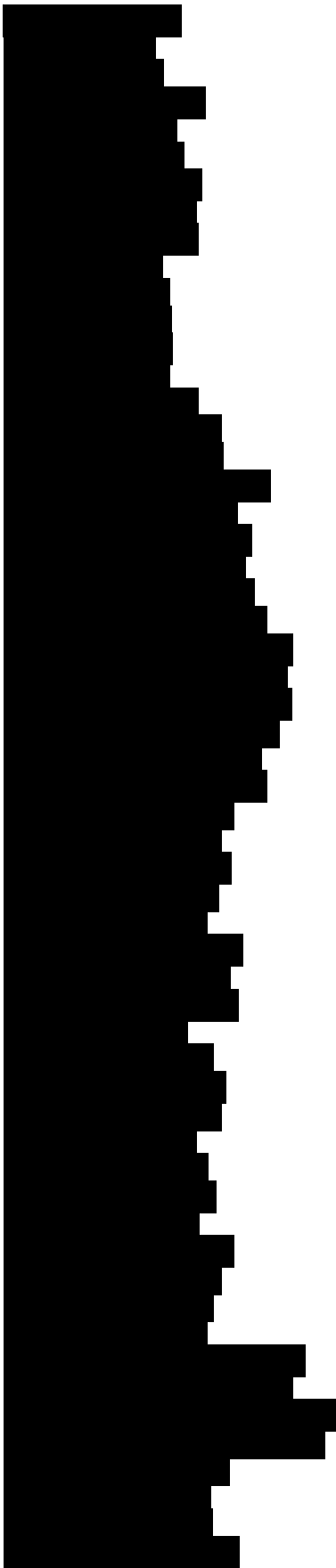
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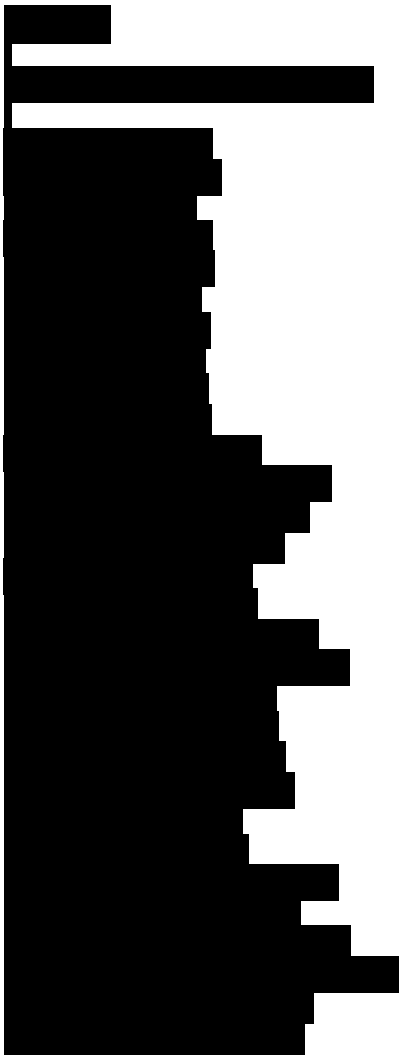
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SCHEDULE 10
Worked Example of Group Turnover Calculation

The following worked example shows how Group Turnover should be calculated for the purpose of the Royalty payment at Clause 4.1 of this Agreement. N.B. This worked example is included for information purposes only.

The following extract is based off the consolidated statement of comprehensive income from the Virgin Money Group Annual Report 2013:

For the year ended 31 December 2013

	2013	2012
	£m	£m
Interest income	788.8	633.3
Interest expense	(477.6)	(498.0)
Net interest income (A)	311.2	135.3
Fee and commission income (including in respect of monies received in relation to licensed activities under Grandfathered Sub-Licences)	32.8	17.5
Fee and commission expense	(13.2)	(11.7)
Other operating income	48.0	110.1
Gain on sale of property, plant and equipment (D)	-	0.1
Gains on sale of investment securities (E)	9.3	16.9
Fair value (losses)/gains on financial instruments (F)	(3.6)	0.8
Commissions or fees received by the VM Group in connection with sub-licences which are not Grandfathered Sub-Licences (G)	0.0	0.0
Net other income (B)	73.3	133.7
Turnover generated by sub-licensees under sub-licences which are not Grandfathered Sub-Licences (C)	0.0	0.0

Based on the above, Group Turnover for the calendar year 2013 would be calculated as follows:

$$\begin{aligned}
 \text{Group Turnover (in £m)} &= (A + B + C) \text{ excluding } (D + E + F + G), \\
 &= (311.2 + 73.3 + 0.0) - (0 + 9.3 + (-3.6) + 0.0) \\
 &= 384.5 - 5.7 \\
 &= 378.8
 \end{aligned}$$

SCHEDULE 11
Indexation for Minimum Royalty Definition

1. The parties agree that, to ensure that the monetary amounts in the definition of “Minimum Royalty” do not become outdated due to inflation or deflation, those monetary amounts shall be subject to an annual adjustment on the commencement of each Royalty Period during the Term starting from the day after the end of Year 4.
2. The annual adjustment referenced in paragraph 1 shall be calculated to reflect the year-on-year percentage change (positive or negative) in the UK Consumer Price Index (CPI) (as published by the UK Office for National Statistics) between (i) the first day of Year 4 (in the case of the first Royalty Period) / the first day of the preceding Royalty Period (in the case of all other Royalty Periods) (as applicable); and (ii) the last day of Year 4 (in the case of the first Royalty Period) / the last day of the preceding Royalty Period (in the case of all other Royalty Periods) (as applicable).
3. If the UK Office for National Statistics ceases to publish the UK Consumer Price Index (CPI), the parties shall agree (acting reasonably and in good faith) a suitable alternative index for the purpose of this annual adjustment.

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SCHEDULE 13
Clarification of VMG Permitted Activities

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SCHEDULE 14
Agreed Form Side Letter [On VEL Headed Notepaper]

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SCHEDULE 15
Permitted Historic VM Abbreviations

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SCHEDULE 16
Escalation Procedure and Remedial Plan

Escalation Procedure

- 1.1 Within five (5) Business Days of VEL giving Company a Material Breach Notice, the parties shall establish an emergency committee (the "**Remedial Committee**") consisting of at least one representative of VEL and at least one representative of the Company. No meeting of the Remedial Committee will be quorate without a representative from each party.
- 1.2 The Remedial Committee will consider in good faith the material breach which has given rise to the Material Breach Notice, and, acting reasonably, will prepare a plan to remedy the material breach ("**Remedial Plan**") provided that, in the reasonable opinion of the Remedial Committee, the dispute can be remedied (it being agreed that any breach based on a delay may be remediable). In preparing the Remedial Plan, the Remedial Committee shall have due regard to:
- the root cause of the material breach;
 - the financial impact on VEL and the Company of a failure to remedy the material breach;
 - the period of time reasonably and objectively required in the circumstances to remedy the material breach;
 - any input of the Brand Board, the Company and VEL; and
 - any reputational or public relations issues which may arise from a failure to remedy the material breach.
- 1.3 If a Remedial Plan cannot be agreed in accordance with the terms of paragraph 1.4, provided VEL has complied with paragraph 1.2 above the period referred to in Clause 9.4(c) shall be ninety (90) days from VEL giving notice of failure to agree the Remedial Plan.

Remedial Plan

- 1.4 Within ten (10) Business Days following the establishment of the Remedial Committee, the Remedial Committee shall provide the Company and VEL with the Remedial Plan. The Remedial Plan shall set out the steps, and corresponding timing for such steps, to be taken by the Company and any relevant sub-licensees to remedy the material breach.
- 1.5 The Company and VEL shall, acting reasonably, implement the Remedial Plan and shall comply with their obligations under the Remedial Plan. If the Company and VEL cannot agree the terms of the Remedial Plan, the specific points of disagreement in respect of the Remedial Plan shall be treated as a Dispute. For the avoidance of doubt, the Company and VEL shall still be obliged to carry out any terms of the Remedial Plan which are not subject to Dispute.

- 1.6 The Company and VEL shall ensure that the implementation of the Remedial Plan is carried out in good faith to limit damage to the Licensed Marks or the reputation of VEL.
- 1.7 The Company shall bear its own costs and shall bear VEL's reasonable and properly incurred costs in respect of the Remedial Plan.
- 1.8 A material breach shall not be deemed to be remedied until the Remedial Committee, acting reasonably, determine that the material breach has been remedied (where any disagreement as to whether a material breach has been remedied can be raised as a Dispute by either party).
- 1.9 Subject to paragraph 1.10 below, if the Remedial Committee have not determined that the material breach has been remedied within the longer of:
- (a) ninety (90) days of the date on which the Remedial Plan was agreed; or
 - (b) such other period agreed as part of the Remedial Plan,
- then VEL shall be entitled to exercise its termination right under Clause 9.4(c).
- 1.10 Notwithstanding paragraph 1.9 above, if the Remedial Committee, acting reasonably, consider that the material breach has not been substantially remedied within the period under paragraph 1.3 or 1.9, as applicable, then VEL shall not be entitled to exercise its termination right under Clause 9.4(c) until the expiry of such period if that material breach has not been remedied.

SCHEDULE 17
Brand Strategy Plan

[REDACTED]

[REDACTED]

SCHEDULE 18
Rebrand & Migration Arrangements

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SCHEDULE 19

[Intentionally Blank]

SCHEDULE 20
Debranding Arrangements

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**SCHEDULE 21
Guarantee**

Date:

[]

AND

VIRGIN ENTERPRISES LIMITED

DEED of GUARANTEE

DATE:

PARTIES

- 1 [] (company number []) a company incorporated in [] whose registered office is at [] (the “**Guarantor**”)
- 2 **VIRGIN ENTERPRISES LIMITED**, a company registered in England and Wales with registered number 01073929, whose registered office is at The Battleship Building, 179 Harrow Road, London W2 6NB (the “**Beneficiary**”)

(together, the “**Parties**” and each a “**Party**”)

BACKGROUND

- A On [date], the rights and obligations of Virgin Money Holdings (UK) plc under an existing trade mark licence agreement dated 1 October 2014, as amended and restated on 25 July 2016, with the Beneficiary were novated to CYBG Plc the (“**Company**”) and the trade mark licence agreement was amended and restated (the amended and restated trade mark licence agreement being the “**Agreement**”). Under the Agreement, the Beneficiary granted the Company the right to use certain of its trade marks in the United Kingdom in relation to the provision by the Company of Financial Services and Products.
- B Pursuant to the term of Clause 5.14 of the Agreement, the Company agreed that following any Permitted Change of Control of the Company, the Company would procure a company within the Territory of the person who acquired Control of the Company and who satisfied the requirements of Clause 5.14, would enter into a deed of guarantee with the Beneficiary pursuant to which such company would agree to guarantee the Guaranteed Obligations.
- C The Guarantor has directly or indirectly acquired Control of the Company and has agreed to guarantee the liabilities of the Company in consideration of the Beneficiary entering into this Deed of Guarantee.

OPERATIVE PROVISIONS

1. Interpretation

- 1.1 In this Deed of Guarantee (unless the context requires otherwise) references to:
 - (a) the Beneficiary and the Company shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
 - (b) the Agreement or to any other document are to the Agreement or that other document (as the case may be):
 - (i) and to all other documents forming part of it from time to time;
 - (ii) as amended (i) in accordance with the terms thereof; or (ii) with the agreement of the relevant parties;

- (c) any reference to an “amendment” includes a supplement, restatement, variation, novation or re-enactment (and “amend”, “amended” and similar words are to be construed accordingly);
- (d) any reference to a “company” shall be construed as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- (e) any reference to a “person” includes an individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (f) any reference to “regulation” includes any regulation, rule, official directive, request, guideline or concession (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (g) any reference to “law” includes a reference to the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing, and shall be construed as referring to
 - (i) such law as amended and in force from time to time and to any law which (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such law; and
 - (ii) any former law which it re-enacts, consolidates or enacts in rewritten form

provided that in the case of matters which fall within clause 1.1(g) above, as between the Parties, no such amendment or modification shall apply for the purposes of this guarantee to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any Party;
- (h) the singular includes a reference to the plural and vice versa; and
- (i) any reference to a “Clause” is to a clause of this guarantee.

1.2 Clause headings are for ease of reference only.

1.3 Any obligation in this Deed of Guarantee on a person not to do something includes an obligation not to agree or allow that thing to be done.

1.4 Any capitalised terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. **Guarantee**

The Guarantor hereby irrevocably and unconditionally covenants with the Beneficiary as follows:-

- 2.1 The Guarantor will in all respects guarantee the due and punctual payment by the Company as and when due of moneys, interest, liabilities and damages which are payable to the Beneficiary under or pursuant to the Agreement including any flowing and in consequence of the non-compliance of the Company with the Agreement (the “**Guaranteed Obligations**”) which guarantee shall extend to include any variation or addition to the Agreement approved by the Guarantor.
- 2.2 Without prejudice to the Beneficiary's rights against the Company as principal obligor, the Guarantor shall be deemed the principal obligor in respect of the sums referred to in Clause 2.1 under this Deed of Guarantee and not merely a surety.
- 2.3 The Guarantor shall not be discharged or released from this Deed of Guarantee by the occurrence of any one or more of the following save to the extent such action releases or forgives the Company of any of the Guaranteed Obligations:-
- (a) any allowance of time to the Company;
 - (b) any forbearance, indulgence or concession granted to the Company;
 - (c) any compromise of any dispute with the Company; and
 - (d) any failure of supervision or to detect or prevent any fault of the Company.
- 2.4 This Deed of Guarantee is a continuing guarantee and accordingly shall remain in operation until all Guaranteed Obligations have been satisfied or performed in full or this Deed is terminated.
- 2.5 The Guarantor's obligation and liability under this Deed of Guarantee shall continue notwithstanding any disclaimer of the Agreement by a liquidator or administrator appointed to the Company and the Agreement shall for the purposes of this Deed of Guarantee be deemed to continue notwithstanding any such disclaimer.
- 2.6 This Deed of Guarantee shall not be affected by any amalgamation, reconstruction, change of name or status in the Company.

3. **Termination**

The Guarantor shall have no right to terminate its liability under this Deed of Guarantee and any such rights at common law or in equity are excluded.

4. **Separate obligation**

- 4.1 This Deed of Guarantee and the Beneficiary's rights under it are in addition to and not in substitution for or in any way prejudiced or affected by any other guarantee, mortgage, charge or other security, by whomsoever given, now or at any time in the future held by the Beneficiary in connection with the Guaranteed Obligations.
- 4.2 The Beneficiary shall not be obliged, before making demand or taking any other steps to enforce its rights under this Deed of Guarantee:

- (a) to make any demand for repayment or take any action on or against the Company or any other person in connection with the Guaranteed Obligations; or
- (b) to take any proceedings or exhaust any claim, right or remedy against the Company or any other person.

5. Costs

The Guarantor shall, on demand by the Beneficiary, pay or reimburse to the Beneficiary, on a fully indemnity basis, all reasonable costs and expenses of whatsoever nature (including, without prejudice to the generality of the foregoing, reasonable legal fees and disbursements) and VAT thereon which the Beneficiary or its agents may incur and not otherwise recover in enforcing its rights and/or powers under this Deed of Guarantee.

6. Liability Cap

The Guarantor's obligations under this Deed of Guarantee shall be subject to all of the limitations on liability described in the Agreement, including (but not limited to) the Liability Cap set out in clause 8.6 of the Agreement.

7. Guarantor Warranties

7.1 The Guarantor warrants to the Beneficiary that at the date of this Deed of Guarantee:

- (a) the Guarantor has all requisite power and authority, and has taken all necessary corporate action, to enable it to enter into and perform this Deed of Guarantee;
- (b) its obligations under this Deed of Guarantee shall, when executed, constitute legal, valid, and binding obligations enforceable in accordance with the terms of this Deed of Guarantee;
- (c) the Guarantor does not require the consent, approval or authority of any other person to enter into or perform its obligations under this Deed of Guarantee; and
- (d) the Guarantor's entry into and performance of its obligations under this Deed of Guarantee will not constitute any breach of or default under any contractual, governmental or public obligation binding on it.

8. Assignment and transfer

8.1 The Beneficiary may at any time, subject to the prior written consent of the Guarantor, assign or transfer to any person the whole or any part of the Beneficiary's rights under this Deed of Guarantee or enter into any agreement with any person in relation to any or all of such rights.

8.2 The Guarantor may not, without the prior written consent of the Beneficiary, assign any of its rights or transfer any of its obligations under this Deed of Guarantee or enter into any transaction which would result in any of these rights or obligations passing to another person.

9. **General**

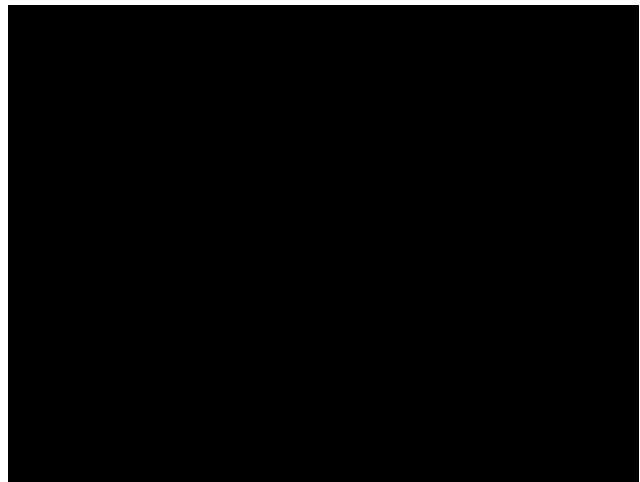
- 9.1 The Beneficiary's rights and powers arising out of any breach or non-performance of this Deed of Guarantee shall not be prejudiced by any delay in exercising them or by any other act done or omitted by the Beneficiary which but for this Clause might have been deemed a waiver of such breach or non-performance, nor shall any exercise of any such right or power preclude any further or other exercise of any right or power of the Beneficiary.
- 9.2 All powers of the Beneficiary shall be cumulative and any express power conferred on the Beneficiary under this Deed of Guarantee may be exercised without prejudicing or being limited by any other express or implied power of the Beneficiary.
- 9.3 If any provision of this Deed of Guarantee (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, such invalidity or unenforceability shall not affect the other provisions of this Deed of Guarantee which shall remain in full force and effect.
- 9.4 No variation of this Deed of Guarantee shall be effective unless and until it is in writing and signed by (or by some person duly authorised by) the Beneficiary and the Guarantor.
- 9.5 No term of this Deed of Guarantee shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a party who is not a party to this Deed of Guarantee.
- 9.6 This Deed of Guarantee may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

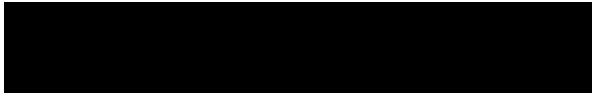
10. **Notices**

- 10.1 Any notice or other communication given under this Deed of Guarantee shall be in writing in the English language and signed by or on behalf of the Party giving it and shall be served by delivering it personally or sending it by special delivery or fax to the address and for the attention of the relevant Party set out in Clause 9.2.
- 10.2 The addresses and fax numbers of the Parties for the purposes of Clause 91, are:

Address for notices to Beneficiary:

Address for notice to Guarantor:





or such other address or fax number as may be notified in writing from time to time by the relevant Party to the other Party.

11. Governing law

11.1 This Deed of Guarantee is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this Deed of Guarantee (including its formation) shall also be governed by the laws of England.

11.2 The Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter (whether contractual or non-contractual) arising out of or in connection with this Deed of Guarantee (including its formation).

Executed as a Deed and delivered on the date shown at its head.

EXECUTED as a **DEED** by)
[))
acting by)
(director) in the presence of)

Witness: Signature:
 Name:
 Address:
 Occupation:

EXECUTED as a **DEED** by)
VIRGIN ENTERPRISES)
LIMITED)
acting by)
(director) in the presence of)

Witness: Signature:
 Name:
 Address:
 Occupation:

EXECUTED AS A DEED and DELIVERED)
by)
VIRGIN ENTERPRISES LIMITED)
)
acting)
by)
)
)
)
in the presence of:)

Witness Signature:

Name:

Address:

EXECUTED AS A DEED and DELIVERED)
by CYBG PLC)
acting by [a director and its secretary])
[two directors])
)
)

Director
Signature:

Name:

Director
Signature:

Name: