

DEED OF IRREVOCABLE UNDERTAKING

(Director Shareholders)

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

21 March 2024

Offer for Virgin Money (UK) PLC (the “**Company**”)

I, the undersigned, understand that the Offeror is considering the Acquisition substantially on the terms and subject to the conditions set out or referred to in the draft announcement provided to me immediately prior to signing this undertaking and proposed to be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the “**Code**”), subject to such non-material modifications to the terms and conditions set out in such draft announcement as may be required to comply with the Code and/or the requirements of the Financial Conduct Authority (the “**Financial Conduct Authority**”) and/or the London Stock Exchange plc (the “**London Stock Exchange**”) or any other relevant securities exchange and/or as may be agreed between the Offeror and the Company (the “**Rule 2.7 Announcement**”).

All references in this undertaking to the “**Acquisition**” shall:

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

Warranties and undertakings

Subject to the Offeror releasing the Rule 2.7 Announcement not later than 7.30 a.m. on the date of this undertaking (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, represent and warrant to the Offeror that:

- (i) I am the beneficial owner of (or am otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of), and/or am the registered holder of, the number of ordinary shares of 10p each in the capital of the Company (“**Company Shares**”) set out in the tables set out in the Appendix to this undertaking (the “**Shares**”, which expression

shall include any other Company Shares (or interests representing such shares) issued to me after the date hereof and attributable to, or derived from, such shares and/or interests and, for the avoidance of doubt, any Company Shares represented by CHES Depositary Interests of which I am the beneficial and/or registered holder);

- (ii) I am not interested in, or otherwise able to control the exercise of rights attributable to, any Company Shares or other securities of the Company (or interests in such shares or other securities) other than those of which details are set out in the table below;
- (iii) I am able to transfer, or procure the transfer of, the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature;
- (iv) I shall not, and if I am not the registered holder of some or all of the Shares, shall procure that any person holding the Shares shall not, prior to the earlier of the Acquisition becoming Effective (as defined in the Announcement) or lapsing:
 - (a) other than pursuant to the Acquisition or where (and to the extent that) a share award has vested under any of the Company's share incentive schemes and a number of Shares are required to be sold to cover for any tax liability arising on such vesting, sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of such Shares or interest in such Shares, or accept any other offer in respect of all or any of such Shares (in each case, whether conditionally or unconditionally);
 - (b) without the prior written consent of the Offeror, exercise or, where applicable, procure the exercise of, any rights attaching to the Shares to requisition, or join in requisitioning, any general or class meeting of the Company for the purposes of voting on any resolution referred to under paragraph 2(ii) below;
 - (c) save for the Shares, and save in connection with the vesting of share awards under any of the Company's share incentive schemes, acquire any Company Shares or other securities of the Company (or any interest therein), and, if any such shares, securities or interest (including for these purposes shares arising under any of the Company's share incentive schemes) are acquired by me, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression "**Shares**" for the purposes of this undertaking and I shall notify the Offeror promptly of any such acquisition and of any other dealing, disposal or change in the number of Shares; or

- (d) other than pursuant to the Acquisition, enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise:
- I. in relation to, or operating by reference to, the Shares or any interest therein (other than pursuant to, or under, the normal nominee arrangements under which I hold an interest in the Shares); or
 - II. to do all or any of the acts referred to in paragraphs (a) to (c) (inclusive) above; or
 - III. which otherwise would or would reasonably be expected to preclude me from complying with my obligations as set out in this undertaking,

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

- (v) I have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into and perform my obligations under this undertaking in accordance with their terms.

Scheme

Subject to the Offeror releasing the Rule 2.7 Announcement not later than 7.30 a.m. on the date of this undertaking (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Scheme, to the Offeror that:

- (i) I have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any general meeting of the Company (including any adjournment thereof) ("**General Meeting**") or at any meeting of holders of shares in the Company convened by a Court (including any adjournment thereof) ("**Court Meeting**"), in each case which is necessary to implement the Acquisition (which shall include any resolution to approve the Scheme) in favour of any such resolution (or otherwise only in accordance with the Offeror's instructions);
- (ii) I have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any

resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any General Meeting or at any Court Meeting which:

- (a) would or would reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition;
- (b) would or would reasonably be expected to impede, delay or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party); or
- (c) otherwise would or would reasonably be expected to adversely impact on the timing and/or implementation of the Acquisition,

in each case, only in accordance with the Offeror's instructions;

- (iii) I shall exercise, or, where applicable, procure the exercise of, all rights attaching to the Shares to requisition or join in the requisitioning of any general meeting of the Company for the purposes of voting on any resolution referred to under paragraph (i) or (ii) above, or to require the Company to give notice of any such meeting, only in accordance with the Offeror's instructions;
- (iv) for the purpose of voting on any resolution referred to under paragraph (i) or (ii) above, I shall, if required by the Offeror before the cut-off time for the filing of proxy instructions in connection with the relevant vote, execute any form of proxy or make such other voting instruction or appointment required by the Offeror appointing any person nominated by the Offeror to attend and vote at the relevant meetings but, in the absence of such nomination, appointing the chairman of the relevant meeting as proxy (save otherwise with the consent of the Offeror);
- (v) without prejudice to paragraph (iv), and in the absence of any such requirement by the Offeror, I shall after the posting of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (the "**Scheme Document**") (and without prejudice to any right I have to attend and vote in person at the Court Meeting and the General Meeting to implement the Acquisition), return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the resolutions to implement the Acquisition) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any action which may be required by the Company or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the resolutions to implement the Acquisition), as soon as possible and in any event no fewer than three business days in advance of the relevant proxy cut-off deadline for the relevant vote;
- (vi) I shall not amend, revoke or withdraw any such proxy once it has been returned in accordance with paragraph (v) above; and

- (vii) I shall, as soon as practicable, supply the Offeror with all information at my disposal in relation to the Shares required by the Offeror in connection with the implementation of the Scheme in order for the Offeror to comply with the Code and the rules and requirements of the FCA, the London Stock Exchange, the Panel on Takeovers and Mergers (the “**Panel**”), the Companies Act 2006 and any legal or regulatory requirements and promptly notify the Offeror in writing of any material change in the accuracy or import of any information previously supplied to the Offeror by me.

Offer

Subject to the Offeror releasing the Rule 2.7 Announcement by not later than 7.30 a.m. on the date of this undertaking (or such later time and/or date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Offer, to the Offeror that:

- (i) upon the Offer being made, I will be able to accept or, where applicable, procure the acceptance of the Offer in respect of the Shares and to transfer, or procure the transfer of, the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid (other than as set out in the Rule 2.7 Announcement);
- (ii) I shall as soon as possible and in any event within ten business days after the posting of the formal document containing the Offer (the “**Offer Document**”) (or, in respect of any Shares allotted to me after the posting of the Offer Document, as soon as possible and in any event within ten business days of such allotment or acquisition) duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Shares and shall take any action which may be required by the Offeror or its nominated representative to facilitate the valid acceptance of the Offer in respect of the Shares;
- (iii) notwithstanding that the terms of the Offer Document will confer rights of withdrawal on accepting shareholders, I shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised;
- (iv) I have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on the Virgin Resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any General Meeting in favour of such Virgin Resolution (or otherwise only in accordance with the Offeror’s instructions);
- (v) I have full power and authority to, and shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any General Meeting which:

- (a) would or would reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition;
- (b) would or would reasonably be expected to impede, delay or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party); or
- (c) otherwise would or would reasonably be expected to adversely impact on the timing and/or implementation of the Acquisition,

in each case, only in accordance with the Offeror's instructions; and

- (vi) I shall, as soon as practicable, supply the Offeror with all information in relation to the Shares at my disposal required by the Offeror in connection with the implementation of the Offer in order for the Offeror to comply with the Code and the rules and requirements of the FCA, the London Stock Exchange, the Panel, the Companies Act 2006 and any legal or regulatory requirements and promptly notify the Offeror in writing of any material change in the accuracy or import of any information previously supplied to the Offeror by me.

Publicity

I acknowledge and consent to:

- (i) the announcement of the Acquisition pursuant to the Rule 2.7 Announcement, containing references to me and the registered holder(s) of any of the Shares in which I have (or will have as the case may be) a beneficial interest and to this undertaking, substantially in the terms set out in the Announcement;
- (ii) the inclusion of references to me and the registered holder(s) of any of the Shares in which I have (or will have as the case may be) a beneficial interest and to this undertaking being set out in the Scheme Document and any Offer Document (if applicable) and any other announcement made, or document issued, by or on behalf of the Offeror in connection with the Acquisition; and
- (iii) this undertaking being published on a website as required by Rule 26.2 of the Code.

I further acknowledge that I am obliged to make appropriate disclosure under Rule 2.10(c) of the Code promptly after becoming aware that I will not be able to comply with the terms of this undertaking or no longer intend to do so.

Miscellaneous

- (i) I irrevocably and by way of security for my obligations hereunder appoint any director of the Offeror to be my attorney to execute on my behalf proxy forms for any Court Meeting or General Meeting or forms of acceptance to be issued with the Offer Document in respect of the Shares (as applicable) and to sign,

execute and deliver any documents and to do all acts and things as may be necessary for, or incidental to, the performance of my obligations under this undertaking, in circumstances where the performance of such actions or obligations by me have not otherwise been fulfilled before the deadlines set out in this undertaking. This power of attorney is irrevocable until this undertaking lapses in accordance with paragraph 0(iii).

- (ii) This undertaking shall not oblige the Offeror to announce or proceed with the Acquisition.
- (iii) This undertaking shall cease to have any effect:
 - (a) if the Offeror shall not have released the Rule 2.7 Announcement by 7.30 a.m. on the date of this undertaking (or such later time and/or date as the Company and the Offeror may agree);
 - (b) if the Scheme Document or Offer Document (as the case may be) has not been posted within 28 days of the issue of the Rule 2.7 Announcement (or within such longer period as the Offeror, with the consent of the Panel, determines), provided that if the Acquisition was initially being implemented by way of a Scheme, and the Offeror elects to exercise its right to implement the Acquisition by way of an Offer or vice versa, the time period in this paragraph (b) shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
 - (c) on the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, provided that this paragraph (c) shall not apply where the Acquisition is withdrawn or lapses as a result of the Offeror exercising its right, in accordance with the Code, to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa;
 - (d) if the Offeror announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by the Offeror in accordance with Rule 2.7 of the Code at the same time;
 - (e) any third party offer for the Company Shares is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective; or
 - (f) the Acquisition has not become effective in accordance with its terms, or been declared unconditional, by 11.59 p.m. on the Long Stop Date (as defined in the Rule 2.7 Announcement) (or such later time or date as agreed between the Company and the Offeror, with the approval of the Panel if required).

- (iv) On the termination of this undertaking, I shall have no claim against the Offeror and the Offeror shall have no claim against me, save in respect of any prior breach thereof.
- (v) This undertaking shall be governed by and construed in accordance with English law. Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in connection with this undertaking is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.
- (vi) I intend this document to be a deed and execute and deliver it as a deed.

APPENDIX**Shares to which this undertaking relates****Part 1: Ownership of Shares**

Number of Shares	Registered holder(s)	Beneficial owner(s)
40,388	Interactive Investor Services Nominees Limited	David Bennett

Part 2: Ownership of share awards

Number of Shares under award	Share plan	Vesting date
N/A	N/A	N/A

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

Executed as a deed by

David Bennett
in the presence of:

Witness signature:

Name:

Address:

Occupation:

