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NS Regulatory Approval

REGULATORY APPROVAL AND TIMETABLE UPDATE

NATIONWIDE BUILDING SOCIETY

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

6 September 2024

Recommended Cash Acquisition

of

Virgin Money UK PLC ("Virgin Money")

by

Nationwide Building Society ("Nationwide")

Announcement of Regulatory Approval and Timetable Update

The boards of Virgin Money and Nationwide are pleased to announce that the FCA and the PRA have given their requisite consent to the recommended cash acquisition of the entire issued and to be issued share capital of Virgin Money by Nationwide, the terms of which were announced on 21 March 2024 (the "**Acquisition**").

The Acquisition is to be implemented by means of a scheme of arrangement between Virgin Money and its shareholders under Part 26 of the Companies Act (the "**Scheme**") and is subject to the terms and conditions set out in the scheme document relating to the Acquisition (the "**Scheme Document**"). The Acquisition was approved by Virgin Money Shareholders at the Shareholder Meetings held on 22 May 2024.

The Acquisition is subject to the Conditions set out in Part 3 of the Scheme Document, including the receipt of the relevant approvals from the FCA and the PRA. Further to the announcement on 19 July 2024 confirming that the UK CMA had given

its approval of the Acquisition, on 6 September 2024 the FCA and the PRA each gave written notice to Nationwide approving each acquisition of control in respect of a UK authorised person contemplated by the Acquisition. Accordingly, Condition 4(A) set out in Part A of Part 3 of the Scheme Document has been satisfied. As all relevant regulatory approvals have now been received, Virgin Money will proceed to seek the sanction of the Scheme by the Court in accordance with the timetable set out below.

The Acquisition will not require any immediate changes to the capital structure of the Virgin Money Group or the Combined Group as a whole. The PRA has confirmed that it intends to apply sub-consolidated prudential requirements to Virgin Money until 31 December 2028, which means that the outstanding externally held own funds issued by Virgin Money will, subject to applicable deductions, be eligible to meet the consolidated capital requirements applicable to the Combined Group. The Bank of England has also confirmed that it intends to exercise its discretion to treat the outstanding externally held eligible liabilities, additional tier 1 and tier 2 instruments issued by Virgin Money as eligible to meet the consolidated MREL requirements applicable to the Combined Group until 31 December 2028. Nationwide and Virgin Money intend to simplify and align their capital structures over time as part of broader integration planning.

Nationwide is pleased to announce that Muir Mathieson is appointed Chief Financial Officer and executive director of Nationwide with effect from the date of this announcement. Chris Rhodes is standing down from the Nationwide board with immediate effect and will spend the period until Completion preparing to become the Chief Executive Officer of Virgin Money (such appointment taking effect on the Effective Date).

Unless otherwise defined, all capitalised terms in this announcement have the meaning given to them in the Scheme Document.

Next steps and timetable

The Scheme remains subject to certain other conditions including sanction by the Court at the Court Hearing (expected to take place on 27 September 2024) and the delivery of a copy of the Court Order to the Registrar of Companies. Subject to the Scheme receiving the sanction of the Court on the expected date and the delivery of a copy of the Court Order to the Registrar of Companies and the satisfaction or (if capable of waiver) the waiver of the remaining Conditions to the Scheme (as set out in the Scheme Document) the Scheme is expected to become Effective on 1 October 2024.

The expected timetable of principal events for the implementation of the Scheme is set out below. The times and dates given in the expected timetable of principal events are based on Virgin Money's and Nationwide's current expectations and may be subject to change. If any of the times and dates set out in the expected timetable change, Virgin Money will give notice of this change by issuing an announcement through a Regulatory Information Service and the ASX Market Announcements Platform and, if required by the Panel, posting notice of the change(s) to Virgin Money Shareholders and persons with information rights. Such announcement will be made available on Virgin Money's website at www.virginmoneyukplc.com/investor-relations/announcements/ and on Nationwide's website at <https://www.nationwide.co.uk/investor-relations/virgin-money-terms-of-access/>.

All Virgin Money Shareholders have the right to attend the Court Hearing.

Nationwide's LEI Number is 549300XFX12G42QIKN82.

Announcement authorised for release by Jason Wright, Society Secretary of Nationwide.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time/date</i>
Last day of dealings in Virgin Money CDIs on the Australian Securities Exchange	25 September 2024
Suspension of dealings in Virgin Money CDIs	4.00 p.m. (AEST) on 25 September 2024
Court Hearing to sanction the Scheme	27 September 2024

Last day of: (i) dealings in, and registration of transfers of, Virgin Money Ordinary Shares; and (ii) registration of transfers of Virgin Money CDIs

27 September 2024

CDI Record Time

7.00 p.m. (AEST) on 27 September 2024 ⁽¹⁾

Scheme Record Time and disablement of Virgin Money Ordinary Shares in CREST

6.00 p.m. on 27 September 2024 ⁽²⁾

Suspension of listing of Virgin Money Ordinary Shares on the Official List and of trading of Virgin Money Ordinary Shares on the London Stock Exchange

7.30 a.m. on 30 September 2024

Effective Date of the Scheme

1 October 2024

Cancellation of listing of Virgin Money Ordinary Shares on the Official List and of trading of Virgin Money Ordinary Shares on the London Stock Exchange

By 8.00 a.m. on 1 October 2024

Cancellation of listing of Virgin Money on the Australian Securities Exchange

1 October 2024

Latest date for despatch of cheques in respect of the Consideration and for settlement of the Consideration through CREST or other form of payment to Virgin Money Ordinary Shareholders and Virgin Money CDI Holders

By 15 October 2024 ⁽³⁾

Expected date for the crediting to mandated bank accounts in respect of any Consideration due to Virgin Money Share Plan Account Holders

No later than 20 October 2024 ⁽⁴⁾

Expected date for the crediting to mandated bank accounts of, or issuing of cheques in respect of, any Consideration due to Virgin Money Share Account Holders

No later than 29 October 2024 ⁽⁵⁾

Long Stop Date

11.59 p.m. on 31 January 2025 ⁽⁶⁾

(1) Virgin Money CDI Holders who are on the CDI Register as at this time are entitled to receive the Consideration under the Acquisition.

(2) Scheme Shareholders who are on the register of members of Virgin Money as at this time are entitled to receive the Consideration under the Acquisition.

(3) The attention of Virgin Money Shareholders is drawn to paragraph 14(A) of Part 2 (Explanatory Statement) of the Scheme Document which provides details on the currency in which payments will be made as well as instructions for any Virgin Money Shareholder who wishes to amend their payment instructions.

(4) Following the receipt by the Computershare Nominee of the Consideration due to it in respect of the Virgin Money Ordinary Shares it holds on behalf of the Virgin Money Share Plan Account Holders, the Computershare Nominee will distribute to the Virgin Money Share Plan Account Holders the relevant portion of the Consideration to which they are entitled within five calendar days thereafter.

(5) Following the receipt by the Equiniti Nominee of the Consideration due to it in respect of the Virgin Money Ordinary Shares it holds on behalf of the Virgin Money Share Account Holders, the Equiniti Nominee will distribute to the Virgin Money Share Account Holders the relevant portion of the Consideration to which they are entitled within ten Business Days thereafter, and issue Virgin Money Share Account statements within five Business Days after the date on which the Equiniti Nominee distributes the Consideration to the Virgin Money Share Account Holders.

(6) This date may be extended to such date (a) as Virgin Money and Nationwide may agree, or (b) (in a competitive situation) as may be specified by Nationwide with the consent of the Panel, and in each case that the Court (if required) may allow.

Enquiries:

Virgin Money UK PLC
Investors and Analysts

Richard Smith
Head of Investor Relations & Sustainability

+44 (0)7483 399303
richard.smith@virginmoney.com

Company Secretary
Lorna McMillan
Group Company Secretary

+44 (0)7834 585436
lorna.mcmillan@virginmoney.com

Media Relations
Press Office

+44 (0)800 066 5998
press.office@virginmoney.com

Goldman Sachs International (joint Rule 3 independent financial adviser and joint corporate broker to Virgin Money)

+44 (0)20 7774 1000

Anthony Gutman
Nimesh Khiroya
Ronan Breen
Bertie Whitehead

J.P. Morgan Cazenove (joint Rule 3 independent financial adviser and joint corporate broker to Virgin Money)

+44 (0)20 3493 8000

Conor Hillery
Dwayne Lysaght
Claire Brooksby
Ravin Mehta

Teneo (public relations adviser to Virgin Money)
Douglas Campbell (UK)
Julia Henkel (Australia)

+44 (0)7753 136628
+61 406 918080

Nationwide Building Society

Sarah Abercrombie, Head of Investor Relations, Credit Ratings and Treasury Sustainability

Media enquiries:
Investor enquiries:

Nationwide-UK@fgsglobal.com
Nationwide.treasury@Nationwide.co.uk

UBS (financial adviser to Nationwide)

+44 (0)20 7567 8000

Sam Small
Ben Crystal
David Sissons

FGS Global (public relations adviser to Nationwide)

+44 (0)20 7251 3801

James Murgatroyd
Charlie Chichester
Richard Webster-Smith
Sophia Johnston

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form any part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Virgin Money in any jurisdiction in contravention of applicable law. The Acquisition is made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of an Offer, the Offer document), which contains the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of an Offer, the Offer document). This announcement does not constitute a prospectus or a prospectus equivalent document.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.

Inside Information

This announcement contains inside information as stipulated under the Market Abuse Regulation no 596/2014 (incorporated into UK law by virtue of the European Union (Withdrawal) Act 2018 as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019). Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

Disclaimers

Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as joint financial adviser for Virgin Money and no one else in connection with the Acquisition and the distribution of this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of Goldman Sachs International, or for giving advice in connection with the Acquisition or any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as joint financial adviser exclusively for Virgin Money and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

UBS AG, London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting exclusively for Nationwide and no one else in connection with the Acquisition. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.

Information for Overseas Shareholders

Unless otherwise determined by Virgin Money and Nationwide or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or form within any Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this announcement and all other documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from any Restricted Jurisdiction.

It is the responsibility of each Overseas Shareholder to satisfy himself or herself as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

If Nationwide were to elect to implement the Acquisition by means of an Offer, such Offer will be made in compliance with all applicable laws and regulations, including the US tender offer rules, to the extent applicable.

The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to the accounting standards applicable to financial statements of US companies. US generally accepted accounting principles differ in certain respects from International Financial Reporting Standards. None of the financial information in, or incorporated by reference into, this announcement has been audited in accordance with auditing standards generally accepted in the US or the auditing standards of the Public Company Accounting Standards Oversight Board (United States). US persons should note that the Scheme relates to shares of an English company that is a "foreign private issuer" as defined in Rule 3b-4 under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"), and the Scheme will be governed by the laws of England and Wales. Neither the proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to takeovers implemented by scheme of arrangement, which differ from the disclosure requirements under US securities laws. It may be difficult for any US holders of Virgin Money Shares to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since Nationwide and Virgin Money are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of non-US jurisdictions. Any US holders of Virgin Money Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Acquisition, or passed comment upon the adequacy or completeness of this announcement. Any representation to the contrary is a criminal offence.

Notice to Australian Virgin Money Shareholders

*This announcement is not a disclosure document for the purposes of the Corporations Act 2001 (Cth) (the "**Australian Corporations Act**"), and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. This announcement has not been and will not be lodged or registered with the Australian Securities and Investments Commission, ASX Limited or any other regulatory body or agency in Australia.*

Share purchases

To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Nationwide and its members or their respective nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Virgin Money securities other than pursuant to the Acquisition (if implemented by way of an Offer) such as in open market or privately negotiated purchases outside the United States during the period in which the Acquisition remains open for acceptance. In accordance with the requirements of Rule 14e-5(b) of the US Exchange Act, such purchases, or arrangements to purchase, must comply with the laws of England and Wales, the Takeover Code and the Listing Rules. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of UBS, Goldman Sachs International and J.P. Morgan Cazenove will continue to act as an exempt principal trader in Virgin Money Shares and Virgin Money CDIs on the London Stock Exchange and the Australian Securities Exchange, respectively. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Publication on website

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nationwide's website at www.nationwide.co.uk/investor-relations/virgin-money-terms-of-access/ and Virgin Money's website at www.virginmoneyukplc.com/investor-relations/announcements/ by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Virgin Money Shareholders, persons with information rights and other relevant persons for the receipt of communications from Virgin Money may be provided to Nationwide during the offer period as required under Section 4 of Appendix 4 to the Takeover Code.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

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