

## SCHEDULE 1 TERMS AND CONDITIONS OF THE NOTES

### 1. Introduction

~~(a)~~ *Programme*: Virgin Money Holdings (UK) plc ("**HoldCo**") and Virgin Money plc (the "**Bank**" and, together with HoldCo, the "**Issuers**", and each an "**Issuer**") have established a Global Medium Term Note Programme (the "**Programme**") for the issuance of up to £3,000,000,000 in aggregate principal amount of notes (the "**Notes**"). ~~In these conditions, references to the "Issuer" are to HoldCo or the Bank~~ On [•] August 2019 (the "Substitution Date"), CYBG PLC ("CYBG") was substituted in place of HoldCo as the issuer of the £350,000,000 3.375 per cent. Fixed Rate Reset Callable Senior Notes due 24 April 2026 (the "2026 Notes") pursuant to a supplemental trust deed between HoldCo, the Bank, CYBG PLC and the Trustee (as defined below) dated [•] August 2019 (the "2026 Supplemental Trust Deed"). In these conditions, references to the "Issuer" are to HoldCo or the Bank or, in respect of the 2026 Notes, CYBG, as the case may be, as the Issuer of the Notes under the Programme and references to the "relevant Issuer" and "Issuers" shall be construed accordingly.

~~(b)~~ (a) *Final Terms or Drawdown Offering Circular*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of either (i) a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**") or (ii) a separate drawdown offering circular (the "**Drawdown Offering Circular**") which supplements, amends and/or replaces the Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms or as supplemented, amended and/or replaced by the relevant Drawdown Offering Circular. In the event of any inconsistency between these Conditions and the relevant Final Terms or Drawdown Offering Circular, the relevant Final Terms or Drawdown Offering Circular (as applicable) shall prevail. In the case of a Tranche of Notes which is the subject of a Drawdown Offering Circular, each reference in these Conditions to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular.

~~(c)~~ (b) *Trust Deed*: The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 28 March 2018 (as amended or supplemented from time to time, including, in the case of the 2026 Notes only, the 2026 Supplemental Trust Deed, the "**Trust Deed**") between the Issuers and Citicorp Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

~~(d)~~ (c) *Agency Agreement*: The Notes are the subject of an issue and paying agency agreement dated 27 March 2015 (as amended or supplemented from time to time, including, in the case of the 2026 Notes only, a supplemental agency agreement dated the Substitution Date, the "**Agency Agreement**") between the Issuers, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying

Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the other agents named therein and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(e)(d) *The Notes*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms or Drawdown Offering Circular (as the case may be). Copies of the relevant Final Terms or Drawdown Offering Circular are available for viewing at the registered office of the ~~Issuers~~ HoldCo and the Bank at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL, United Kingdom other than the Final Terms in respect of the 2026 Notes which are available for viewing at the registered office of CYBG at 20 Merrion Way, Leeds, LS2 8NZ.

(e)(e) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

## 2. **Definitions and Interpretation**

(a) *Definitions*: In these **Conditions** the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Bank Group**" means the Bank and its subsidiaries;

"**Broken Amount**" means, in respect of any Notes, the amount (if any) that is specified in the relevant Final Terms;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Capital Regulations**" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (i) the Supervisory Authority and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the relevant Issuer may be organised or domiciled) and applicable to the relevant Issuer and/or (where the Issuer is HoldCo) the HoldCo Group and/or (where the Issuer is the Bank) the Bank Group and/or (where the Issuer is CYBG) the CYBG Group, including, ~~as at the date of this Offering Circular~~, CRD IV and related technical standards;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**CRD IV**" means the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time, and the CRD IV Regulation;

"**CRD IV Regulation**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time;

"**CYBG Group**" means CYBG and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Capital Regulations) of which CYBG is part from time to time.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

"**Group**" means (i) in respect of HoldCo, the HoldCo Group ~~and (ii)~~ in respect of the Bank, the Bank Group, and (iii) in respect of CYBG, the CYBG Group;

"**HoldCo Group**" means the HoldCo and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Capital Regulations) of which the HoldCo is part from time to time;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Initial Rate of Interest**" has the meaning specified in the relevant Final Terms;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" shall mean the date specified as such in the relevant Final Terms or, if none is so specified:

- (a) if the Reference Rate is EURIBOR, the second TARGET Settlement Day prior to the start of each Interest Period; and
- (b) if the Reference Rate is LIBOR, the second London Business Day prior to the start of each Interest Period;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 6(d) (*Reset Note Provisions - Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin;

"**Subsidiary**" means each subsidiary undertaking (as defined under section 1159 of the Companies Act) for the time being of the relevant Issuer;

"**Supervisory Authority**" means the United Kingdom Prudential Regulation Authority and/or any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of the relevant Issuer and/or the HoldCo Group; and/or the CYBG Group;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Tier 2 Capital**" means Tier 2 Capital for the purposes of the Capital Regulations;

"**Winding-up Event**" means with respect to the Notes if (i) a court of competent jurisdiction in England (or such other jurisdiction in which the relevant Issuer may be organised) makes an order for its winding-up which is not successfully appealed within 30 days of the making of such order, (ii) the relevant Issuer's shareholders adopt an effective resolution for its winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the relevant Issuer, the administrator gives notice that it intends to declare and distribute a dividend; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation*

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (~~as amended, "MiFID II"~~); or (ii) a customer within the meaning of Directive 2002/92/EC, ~~(as amended or superseded)~~, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

~~MiFID II product governance/Professional investors and ECPs only target market~~ **MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Final Terms dated 20 April 2018, as amended on [•] August 2019

~~VIRGIN MONEY HOLDINGS (UK)~~ CYBG PLC

~~Issue of~~ £350,000,000 3.375 per cent. Fixed Rate Reset Callable Senior Notes due 24 April 2026

~~under the £3,000,000,000 Global Medium Term Note Programme~~

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the ~~offering circular dated 28 March 2018 (the "Offering Circular") which constitutes listing particulars for the purposes of Chapter 4 of the listing rules of the United Kingdom Financial Conduct Authority, supplemental trust deed dated [•] August 2019 between, inter alios, CYBG PLC and Citicorp Trustee Company Limited to effect the substitution of CYBG PLC as issuer in place of Virgin Money Holdings (UK) plc, effective from [•] August 2019 (the "Substitution").~~ This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the ~~Offering Circular~~ Trust Deed.

~~Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at [www.londonstockexchange.com/exchange/news/market\\_news/market\\_news\\_home.html](http://www.londonstockexchange.com/exchange/news/market_news/market_news_home.html) and during normal business hours at the registered office of the Issuer at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL, United Kingdom.~~

~~No prospectus is required under Directive 2003/71/EC (as amended) for this issue of the Notes described herein.~~

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | <del>Virgin Money Holdings (UK) plc</del> <u>CYBG PLC</u> |
| 2. | (i) Series Number:                             | <u>2A</u>   |
|    | (ii) Tranche Number:                           | 1   |
|    | (iii) Date on which the Notes become fungible: | Not Applicable  |

3.	Specified Currency or Currencies:	Pounds Sterling ("£")
4.	Aggregate Nominal Amount:	£350,000,000
5.	Issue Price:	99.614 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof
	(ii) Calculation Amount:	£1,000
7.	(i) Issue Date:	24 April 2018
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	24 April 2026
9.	Interest Basis:	Reset Notes  (see paragraphs 14 and 15 below)
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount-
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Issuer Call  (see paragraph 18 below)
13.	(i) Status of the Notes:	Senior Notes
	(ii) Senior Notes Waiver of Set-off:	Applicable
	(iii) Senior Notes Events of Default:	Condition 14(b): Applicable
	(iv) Date Board <a href="#">of Virgin Money Holdings (UK) plc</a> approval for issuance of Notes obtained:	24 January 2018 and 22 February 2018
	(v) <a href="#">Date Board approval of CYBG PLC for substitution as Issuer of Notes obtained:</a>	<a href="#">28 November 2018</a>

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14.	<b>Fixed Rate Note Provisions</b>	Not Applicable
15.	<b>Reset Note Provisions</b>	Applicable
	(i) Initial Rate of Interest:	3.375 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	24 April in each year up to and including the Maturity Date
	(iii) Fixed Coupon Amount up to (but excluding) the First Reset Date:	£33.75 per Calculation Amount

	Minimum Redemption Amount:	Not Applicable
	Maximum Redemption Amount	Not Applicable
(v)	Notice period:	As per the Conditions
19.	<b>Put Option</b>	Not Applicable
20.	<b>Final Redemption Amount of each Note</b>	£1,000 per Calculation Amount
21.	<b>Optional Redemption Amount (Regulatory Event)</b>	Not Applicable
22.	<b>Loss Absorption Disqualification Event Redemption of Senior Notes:</b>	Condition 10(e) applies
	(i) Optional Redemption Amount (Loss Absorption Disqualification Event):	£1,000 per Calculation Amount
23.	<b>Early Redemption Amount (Tax)</b>	£1,000 per Calculation Amount
24.	<b>Early Termination Amount</b>	£1,000 per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	<b>Form of Notes:</b>	<b>Registered Notes:</b>  Unrestricted Global Note Certificate exchangeable for Unrestricted Individual Note Certificates in the limited circumstances specified in the Unrestricted Global Note Certificate  Unrestricted Global Note Certificate (£350,000,000 nominal amount) registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))
26.	New Global Note:	Not Applicable
27.	New Safekeeping Structure:	Yes
28.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
29.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No

Signed on behalf of Virgin Money Holdings (UK) plc

By:            /s/ **PETER BOLE**  
Duly authorised



## PART B – OTHER INFORMATION

### 30. LISTING AND ADMISSION TO TRADING

(i) Admission to Trading: Application ~~has been~~was made by ~~the Issuer~~[Virgin Money Holdings \(UK\) plc](#) (or on its behalf) for the Notes to be admitted to trading on the Professional Securities Market of the London Stock Exchange with effect from 24 April 2018.

[Application was made for the issuer of the Notes to be changed from Virgin Money Holdings \(UK\) plc to CYBG PLC following the Substitution](#)

(ii) Estimate of total expenses related to admission to trading: £3,600

### 31. RATINGS

The Notes ~~to be issued~~ are ~~expected to be~~rated:

Fitch Ratings Limited ("**Fitch**"): BBB+

Moody's Investor Services ("**Moody's**"): Baa3

Each of Fitch and Moody's is established in the EEA and registered under Regulation (EU) No.1060/2009, as amended (the "**CRA Regulation**")~~;~~)

### ~~32. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE~~

~~Save for any fees payable to Barclays Bank PLC, Citigroup Global Markets Limited, HSBC Bank plc and Morgan Stanley & Co. International plc (together, the "**Managers**"), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.~~

### ~~33. USE OF PROCEEDS~~

~~It is the Issuer's intention to use the proceeds of the issue of the Notes issued by it to initially make an investment in the Bank in the form of subordinated debt intended to qualify as eligible liabilities of the Bank. The Issuer retains the discretion to restructure any investment made with the proceeds at any time.~~

### ~~34~~3 YIELD

Indication of yield: 3.438 per cent.

The yield is calculated at the Issue Date as the yield to the Optional Redemption Date on the basis of the Issue Price. It is not an indication of future yield~~.~~

### ~~35~~3 OPERATIONAL INFORMATION

ISIN:	XS1813150247
CUSIP:	Not Applicable
Common Code:	181315024
Any clearing system(s) other than Euroclear and/or Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

### 363 DISTRIBUTION

(i) Method of Distribution <u>for initial issuance</u> :	Syndicated
<del>(ii) If syndicated:</del>	
<del>(a) Names of Dealers:</del>	<del>Barelays Bank PLC Citigroup Global Markets Limited HSBC Bank plc Morgan Stanley &amp; Co. International plc</del>
<del>(b) Stabilising Manager(s) (if any):</del>	<del>Not Applicable</del>
<del>(iii) If non-syndicated, name of Dealer:</del>	<del>Not Applicable</del>
<del>(iviii) U.S. Selling Restrictions <u>for initial issuance</u>:</del>	<del>Reg. S Compliance Category 2; TEFRA not applicable – Not Rule 144A Eligible</del>
<del>(vii) Prohibition of Sales to EEA Retail Investors:</del>	<del>Applicable</del>
<del>(viii) Prohibition of Sales to Belgian Consumers:</del>	<del>Applicable</del>