



# CYBG PLC NOTICE OF ANNUAL GENERAL MEETING 2019

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Notice of Annual General Meeting and the enclosed Proxy Form or CDI Voting Instruction Form should be read in their entirety. If you are in any doubt as to any aspect of the proposals referred to in this document and the Proxy Form or CDI Voting Instruction Form, or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in CYBG PLC, please pass this document (but not the personalised Proxy Form) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom a sale or transfer was effected for transmission to the purchaser or transferee.

**CYBG PLC**

Registered number 09595911 (England and Wales)  
ARBN 609 948 281 (Australia)

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Proxy Form or CDI Voting Instruction Form in accordance with the instructions printed on the enclosed Proxy Form or CDI Voting Instruction Form.

If you are a CDI holder and would like to attend and vote at the Annual General Meeting in person you must complete Option B of the CDI Voting Instruction Form and appoint yourself as CHESS Depositary Nominees Pty Limited's ('CDN') proxy in accordance with the instructions on page 18 of this document and the CDI Voting Instruction Form.

If you do not complete Option B of the CDI Voting Instruction Form you will only be able to attend the Annual General Meeting and speak but you will not be able to vote.

## Key times and dates

### **Last time/day for receipt of Proxy Forms<sup>(1)</sup>**

11.00pm (London time – GMT) on 25 January 2019

### **Last time/day for receipt of CDI Voting Instruction Forms<sup>(2)</sup>**

9.00pm (Melbourne time – AEDT) on 25 January 2019

### **Annual General Meeting**

10.00am (Melbourne time – AEDT) on 30 January 2019

(1) Proxy Forms received after 11.00pm (London time – GMT) on this date will be disregarded.

(2) CDI Voting Instruction Forms received after 9.00pm (Melbourne time – AEDT) on this date will be disregarded.

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# **ANNUAL GENERAL MEETING**

## **2019**

**Annual General Meeting of CYBG PLC  
to be held at the**

**Melbourne Convention and Exhibition Centre ('MCEC')  
1 Convention Centre Place  
South Wharf, Melbourne  
Victoria 3006, Australia**

**10.00am (Melbourne time – AEDT)  
Wednesday 30 January 2019**

# Chairman's letter

## Dear Shareholder

I take pleasure in sending you the notice of the Annual General Meeting (the 'AGM' or 'Meeting') of CYBG PLC (the 'Company') (the 'Notice'). The Meeting is to be held at the Melbourne Convention and Exhibition Centre ('MCEC'), 1 Convention Centre Place, South Wharf, Melbourne, Victoria 3006, Australia on Wednesday 30 January 2019 at 10.00am (Melbourne time – AEDT). The Notice contains the resolutions on which shareholders are asked to vote. These are set out on pages 4 to 7 of this document. It is important you read the entire document before deciding how to vote. This document also contains Explanatory Notes which provide detailed information of the business to be conducted at the AGM (pages 8 to 14 of this document). All the resolutions are matters typically sought at the AGM for a UK public listed company and, in accordance with the UK Corporate Governance Code, all Directors will be seeking election or re-election at the AGM.

## Website

A printed copy of the 2018 Annual Report and Accounts will only be sent to you if you have opted to receive a paper copy of that document. Otherwise you may now access the 2018 Annual Report and Accounts by visiting the [www.cybg.com](http://www.cybg.com) website. If at any time you would like to change your preference on how you receive documents, please contact our Registrar, Computershare, whose contact details are set out on page 20 of this document. By choosing to receive communications electronically, by email and on our website, you will have access to Company information more quickly. In addition, reducing the need to print shareholder communications supports our commitment to managing our business' environmental impact and helps us grow our business in a sustainable way.

## Dividend

The Board of Directors (the 'Board') is recommending for approval at the AGM a final dividend of 3.1p per ordinary share in the Company in respect of the full financial year ended 30 September 2018. If approved, the dividend will be payable on 15 February 2019 to all shareholders who are on the register of members on 18 January 2019. To ensure you receive prompt payment

of your dividend, you are encouraged to have the dividend payment paid directly into a bank account. You can check or update your existing payment instructions by contacting the Company's Registrars, details of which are on page 20 of this document.

## The AGM

Details of how to get to the venue are set out on page 19 of this document. The AGM is an opportunity for all shareholders to express their views by asking questions and voting. We recognise that not all shareholders will be able to attend in person and therefore all resolutions will be decided on a poll as this delivers a fairer representation of shareholder views and has become best practice at large company AGMs.

The AGM will be webcast live at 10.00am (Melbourne time – AEDT) on Wednesday 30 January 2019 on the Company's website [www.cybg.com](http://www.cybg.com) and a recording will also be available shortly after the conclusion of the AGM. Please note that viewing the live webcast does not enable shareholders to ask questions or vote during the AGM.

The results of voting on all the resolutions will be announced via the Regulatory News Service for the London Stock Exchange and the Australian Securities Exchange and published on the Company's website as soon as possible after the AGM.

## Voting

There are different voting procedures depending on whether you hold shares listed on the London Stock Exchange or CDIs quoted on the Australian Securities Exchange. Please read the voting instructions on pages 16 to 18 of this document carefully to ensure you are aware of the arrangements affecting you. Even if you are unable to attend the Meeting, you can still vote and I would encourage you, regardless of the number of shares or CDIs you own, to vote on the resolutions set out on pages 4 to 7 of this document, by completing, signing and returning your Proxy Form or CDI Voting Instruction Form to the Company's Registrar, Computershare, at the relevant address specified on page 20 of this document. Alternatively, you may register your proxy appointment or CDI voting instructions electronically. Please see

pages 16 to 18 of this document and your Proxy Form or CDI Voting Instruction Form for details.

**If you are a CDI holder and would like to attend and vote at the AGM in person, you must complete Option B of the CDI Voting Instruction Form to appoint yourself as CDN's proxy and return the form in accordance with the instructions on page 18 of this document and the CDI Voting Instruction Form. If you do not complete Option B of the CDI Voting Instruction Form you will only be able to attend the AGM and speak but you will not be able to vote.**

Your Proxy Form or CDI Voting Instruction Form (either online or on paper) needs to be lodged so that it reaches the Company's Registrar, Computershare, by the time and date specified on that form and also in accordance with the instructions on pages 16 to 18 of this document.

If you have any enquiries about the AGM or about your shareholding, you can contact the Company's Registrar, Computershare. Contact details are listed on page 20 of this document.

## Recommendation

Your Board considers that all of the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. The Board intends to vote in favour of all of them in respect of their own beneficial holdings and unanimously recommends that you do so as well.

Yours faithfully



**Jim Pettigrew**  
Chairman

6 December 2018

Registered office:  
CYBG PLC  
20 Merrion Way  
Leeds  
West Yorkshire LS2 8NZ  
Registered in England and Wales  
No. 09595911





# Notice of Annual General Meeting

## Notice is hereby given

that the Annual General Meeting of CYBG PLC (the 'Company') will be held at the Melbourne Convention and Exhibition Centre ('MCEC'), 1 Convention Centre Place, South Wharf, Melbourne, Victoria 3006, Australia on Wednesday 30 January 2019 at 10.00am (Melbourne time – AEDT). Shareholders will be asked to consider and, if thought fit, pass the resolutions below. Resolutions 1 to 19 (inclusive), 22 and 26 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 20, 21, 23, 24 and 25 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Annual Report and Accounts

- 1** To receive the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 30 September 2018.

## Directors' Annual Report on Remuneration

- 2** To approve the Directors' Annual Report on Remuneration set out on pages 84 to 114 (inclusive) of the Company's Annual Report and Financial Statements for the year ended 30 September 2018.

## Dividend

- 3** To declare a final dividend of 3.1p per ordinary share in the Company in respect of the year ended 30 September 2018.

## Election or Re-election of the Directors

- 4** To elect Geeta Gopalan as a Director of the Company.
- 5** To elect Darren Pope as a Director of the Company.
- 6** To elect Amy Stirling as a Director of the Company.
- 7** To re-elect Clive Adamson as a Director of the Company.
- 8** To re-elect David Bennett as a Director of the Company.
- 9** To re-elect Paul Coby as a Director of the Company.
- 10** To re-elect David Duffy as a Director of the Company.
- 11** To re-elect Adrian Grace as a Director of the Company.
- 12** To re-elect Fiona MacLeod as a Director of the Company.
- 13** To re-elect Jim Pettigrew as a Director of the Company.
- 14** To re-elect Dr Teresa Robson-Capps as a Director of the Company.
- 15** To re-elect Ian Smith as a Director of the Company.
- 16** To re-elect Tim Wade as a Director of the Company.

## Re-appointment of the auditors

- 17** To re-appoint Ernst & Young LLP as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

## Remuneration of auditors

- 18** To authorise the Audit Committee for and on behalf of the Board to determine the remuneration of the auditors.

## Directors' general authorities to allot shares

- 19** That, in addition to any power granted under resolution 22 and all other existing authorities to allot equity securities which remain in full force and effect, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the power of the Company to allot shares in the Company and/or to grant rights to subscribe for or to convert any security into shares in the Company:
  - (A) up to an aggregate nominal amount of £47,578,139 (such amount to be reduced by the aggregate nominal amount allotted or made under paragraph (B) below in excess of such sum); and
  - (B) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £95,156,278 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary.

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

such authorities to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 31 March 2020) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired. References in this resolution 19 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the Act) are to the nominal amount of shares that may be allotted pursuant to the rights.

#### **General disapplication of pre-emption rights**

**20** That, in addition to the powers granted under resolutions 21 and 23, and all other authorities, and subject to the passing of resolution 19, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the 'Act') to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority granted by that resolution and/or pursuant to section 573 of the Act to sell ordinary shares held by the Company as treasury shares for cash, in each case, as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

- (A) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity

securities (but in the case of an allotment pursuant to the authority granted under paragraph (B) of resolution 19, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only);

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (B) in the case of the authority granted under paragraph (A) of resolution 19 and/or in the case of any sale of treasury shares for cash, (in each case, otherwise than under paragraph (A) above), to the allotment of equity securities or sale of treasury shares up to a nominal amount of £7,136,720 calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights,

such power to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 31 March 2020) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers, and enter into agreements before the authority expires, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the Directors may allot (or sell) equity securities under any such offer or agreement as if the power had not expired.

**21** That, in addition to any powers granted under resolutions 20 and 23 and subject to the passing of resolution 19, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the 'Act') to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority granted by resolution 19 and/or pursuant to section 573 of the Act to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Act, such power to be:

- (A) limited to the allotment of equity securities and/or sale of treasury shares for cash up to an aggregate nominal amount of £7,136,720 calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights; and
- (B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice,

such power to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 31 March 2020) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted or rights to subscribe for or to convert any security into shares to be granted (or treasury shares to be sold) after the power ends and the Directors may allot equity securities or grant such rights (or sell treasury shares) under any such offer or agreement as if the power conferred hereby had not ended.

# Notice of Annual General Meeting

## Directors' authorities to allot equity securities in connection with AT1 Securities

**22** That, in addition to any power granted under resolution 19 and all other existing authorities to allot equity securities which remain in full force and effect, the Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the 'Act'), to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:

- (A) up to an aggregate nominal amount of £15,000,000, provided that this authority shall be only used in connection with the conversion of the £160,000,000 fixed rate resettable additional tier 1 securities issued by Virgin Money Holdings (UK) plc on 31 July 2014 and £230,000,000 resettable additional tier 1 securities issued by Virgin Money Holdings (UK) plc on 10 November 2016 (together the 'Virgin Money AT1 Securities') into ordinary shares of the Company pursuant to the terms and conditions of each series of Virgin Money AT1 Securities; and
- (B) up to an aggregate nominal amount of £35,000,000, provided that this authority shall be only used in connection with the issue of further additional tier 1 securities (the 'AT1 Securities'): (a) where the Directors consider that such an issuance of AT1 Securities would be necessary or desirable, including in connection with, or for the purposes of complying with or maintaining compliance with, the regulatory requirements applicable to the Company and its subsidiaries from time to time; and (b) subject to applicable law and regulation, at such conversion prices (or such maximum and minimum conversion price methodologies) as may be determined by the Directors from time to time,

such authorities to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2024, but, in each case, the Company may, before the authority expires, make an offer or agreement which would, or might, require shares to be allotted or rights to be granted after it expires and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if the authority had not expired. References in this resolution 22 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the Act) are to the nominal amount of shares that may be allotted pursuant to the rights.

## Disapplication of pre-emption rights in connection with AT1 Securities

**23** That, in addition to any powers granted under resolutions 20 and 21, and all other existing authorities to allot equity securities which remain in full force and effect, and subject to the passing of resolution 22, and in accordance with section 570 of the Companies Act 2006 (the 'Act'), the Directors be generally empowered to allot equity securities (as defined in section 560(1) of the Act) wholly for cash pursuant to the authorities conferred in resolution 22:

- (A) up to an aggregate nominal amount of £15,000,000 in relation to a conversion of the £160,000,000 fixed rate resettable additional tier 1 securities issued by Virgin Money Holdings (UK) plc on 31 July 2014 and £230,000,000 resettable additional tier 1 securities issued by Virgin Money Holdings (UK) plc on 10 November 2016 into ordinary shares of the Company; and
- (B) up to an aggregate nominal amount of £35,000,000 in connection with any issue of further additional tier 1 securities,

in each case as if section 561 of the Act did not apply to any such allotment, such authorities to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2024, but the Company may, before the power expires, make an offer or agreement which would, or might, require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

## Make market purchase of own shares

**24** That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (as defined in section 693(4) of the Act) of its ordinary shares of 10 pence each ('ordinary shares'), provided that:

- (A) the maximum aggregate number of ordinary shares authorised to be purchased is 142,734,419 (representing approximately 10% of the issued ordinary share capital) minus the number of ordinary shares purchased pursuant to resolution 25; and
- (B) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10 pence (being the nominal value of an ordinary share) and the maximum price (exclusive of expenses) which may be paid for an ordinary share is the highest of:
  - (i) an amount equal to 5% above the average middle-market value of an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out,



such power to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 31 March 2020) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may enter into a contract to purchase ordinary shares under this authority which will or may be completed or executed wholly or partly after the expiry of the authority and the Company may purchase ordinary shares pursuant to any such contract as if the power had not expired.

### Contingent Purchase Contract

**25** That the terms of a contingent purchase contract between the Company and Macquarie Securities (Australia) Limited ('Macquarie') as identified in the contract (a draft of which is produced to the Meeting and initialled by the Chairman for the purposes of identification) ('CP Contract'), providing for off-market purchases (as defined in section 693(2) of the Companies Act 2006) by the Company of its ordinary shares of 10 pence each from Macquarie, those ordinary shares having being transmuted from CHESS Depositary Interests ('CDIs'), purchased by Macquarie at the direction of the Company, be and are hereby approved, provided that:

- (A) the maximum aggregate number of ordinary shares authorised to be purchased is 142,734,419 (representing approximately 10% of the issued ordinary share capital) minus the number of ordinary shares purchased pursuant to resolution 24; and
- (B) the minimum price (exclusive of expenses) which may be paid by Macquarie for each CDI is the Australian dollar equivalent of 10 pence per CDI and the maximum price (exclusive of expenses) which may be paid by Macquarie for each CDI is an amount equal to the highest of:

- (i) 5% above the average closing prices for CDIs for the previous five business days preceding the day on which the Company instructs Macquarie to purchase CDIs on which sales of CDIs were recorded on the Australian Securities Exchange; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid for a CDI on the trading venue where the purchase is carried out; and

(C) the price to be paid by the Company for such ordinary shares is the price paid by Macquarie for the relevant CDI plus expenses,

such authority to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 31 March 2020) (unless previously revoked or varied by the Company in general meeting), but in each case, so that the Company may purchase ordinary shares under this authority which will or may be completed wholly or partly after the expiry of the authority as if the authority had not expired.

### Authority to make political donations

**26** That in accordance with sections 366 and 367 of the Companies Act 2006 (the 'Act') the Company and all companies that are subsidiaries of the Company at any time during the period commencing on the date of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or, if earlier, until the close of business on 31 March 2020, be and are hereby authorised:

- (A) to make political donations to political parties and/or independent election candidates (as such terms are defined in sections 363 and 364 of the Act), not exceeding £100,000 in total;
- (B) to make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Act), not exceeding £100,000 in total; and

(C) to incur political expenditure (as such term is defined in section 365 of the Act), not exceeding £100,000 in total,

and provided that the aggregate of (A), (B) and (C) shall not exceed £100,000 and provided that the maximum amounts referred to in (A), (B) and (C) may comprise sums in different currencies which shall be converted at such rate as the Directors may in their absolute discretion determine to be appropriate.

All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisations or approvals.

6 December 2018

By order of the Board  
For and on behalf of CYBG PLC  
Registered in England and Wales –  
No. 09595911



**Lorna McMillan**  
Company Secretary

Registered Office:  
20 Merrion Way,  
Leeds,  
West Yorkshire  
LS2 8NZ

# Explanatory notes

## Resolution 1 (Ordinary Resolution)

### Annual Report and Accounts

The Board asks that shareholders receive the Company's Annual Report and Accounts for the financial year ended 30 September 2018.

## Resolution 2 (Ordinary Resolution)

### Directors' Annual Report on Remuneration

This resolution seeks shareholder approval for the Directors' Annual Report on Remuneration (including the annual statement of the Committee Chair) which can be found on pages 84 to 114 (inclusive) of the 2018 Annual Report and Accounts. The Directors' Annual Report on Remuneration gives details of the implementation of the Company's payments and share awards made to the Directors in connection with their performance during the year ended 30 September 2018. This vote is advisory in nature and will not affect the way in which the remuneration arrangements have been implemented.

The Company's auditors during the year, Ernst & Young LLP, have audited those parts of the Directors' Remuneration Report that are required to be audited and their Report may be found on pages 172 to 179 (inclusive) of the 2018 Annual Report and Accounts.

## Resolution 3 (Ordinary Resolution)

### Dividend

This resolution will give the Board the authority to pay the recommended final dividend of 3.1p per ordinary share in the Company in respect of the full financial year ended 30 September 2018 to be payable on 15 February 2019 to all shareholders who are on the register of members on 18 January 2019.

## Resolutions 4 to 16 (Ordinary Resolutions)

### Election or Re-election of the Directors

On 15 October 2018, Geeta Gopalan, Darren Pope and Amy Stirling were appointed to the Board. In accordance with the Company's Articles of Association, they will each retire at this year's AGM and resolutions 4 to 6 (inclusive) propose their election by the Company's shareholders. The Board believes their balance of knowledge and skills combined with their diversity and business experience, makes a major contribution to the proper functioning of the Board and its Committees.

In accordance with the provisions of the UK Corporate Governance Code, all other Directors will retire at this year's AGM and will submit themselves for re-election under resolutions 7 to 16 (inclusive).

In the case of Jim Pettigrew, the Board is of the opinion that his significant and in-depth knowledge and experience of the Company and its subsidiaries (the 'Group') combined with his external business experience enables him to provide effective leadership of the Board and to continue to make a positive contribution to the Group's ongoing business.

In the case of Clive Adamson, David Bennett, Paul Coby, Geeta Gopalan, Adrian Grace, Fiona MacLeod, Darren Pope, Dr Teresa Robson-Capps and Tim Wade, the Board considers that they are each independent in character and judgement and each provides a strong, non-executive presence on the Board. Amy Stirling is not considered by the Board to be independent as her appointment as a Non-Executive Director is pursuant to the right of Virgin Enterprises Limited to nominate a director under the terms of a Brand Licence Agreement.

The Governance and Nomination Committee has concluded that each Director is able to continue to perform effectively and demonstrate substantial commitment to their roles.

Further information about the Board's collective achievements during the year is given in the Corporate Governance Report contained within the 2018 Annual Report and Accounts on pages 47 to 119 (inclusive). Brief biographies and details of areas of expertise for each of the Directors seeking election or re-election are given below.

The Board unanimously recommends the election or re-election respectively of each of these Directors.

## Resolution 4 (Ordinary Resolution)

### Geeta Gopalan, Independent Non-Executive Director

Member of the Risk Committee

Joined the Group: October 2018

Key areas of expertise: Finance, Financial Services, Retail Banking, Digital

Skills & experience: Geeta has over 25 years of experience of financial services and retail banking, particularly payments and digital innovation. Geeta was Director of Payment Services with HBOS plc and previously Managing Director, UK Retail Bank and Business Development Head EME at Citigroup. Geeta was also formerly the Chair of Monitise Europe and was previously a Non-Executive member and vice-chair of the England Committee of the Big Lottery Fund. She is a chartered accountant.

Key external appointments: Non-Executive Director of Funding Circle Holdings Plc, Ultra Electronic Holdings Plc and Wizink Bank S.A.

## Resolution 5 (Ordinary Resolution)

### Darren Pope, Independent Non-Executive Director

Member of the Audit Committee

Joined the Group: October 2018

Key areas of expertise: Finance, Financial Services, Retail Banking

Skills & experience: Darren has over 30 years of experience in retail banking and financial services. Darren held the post of Chief Financial Officer of TSB Bank plc, having taken a lead role in the design and divestment of the TSB business from Lloyds Bank plc and its subsequent IPO

and takeover. He previously held a number of executive and senior roles at Lloyds Banking Group plc including Retail Bank Commercial Director. Darren is a fellow of the Chartered Institute of Certified Accountants.

Key external appointment: Senior Independent Non-Executive Director of Equiniti Group plc.

## Resolution 6 (Ordinary Resolution)

### **Amy Stirling, Non-Executive Director**

Joined the Group: October 2018

Key areas of expertise: Finance, Strategy, Operations

Skills & experience: Amy has extensive board, financial and management experience from senior and board roles in a range of sectors including telecommunications, financial services and commerce. She was previously Non-Executive Director of Pets at Home Group Plc and the UK Cabinet Office. Amy is a Fellow of the Chartered Institute of Accountants of England and Wales.

Key external appointments: Chief Financial Officer of the Virgin Group and Non-Executive Director of RIT Capital Partners plc.

## Resolution 7 (Ordinary Resolution)

### **Clive Adamson, Independent Non-Executive Director**

Chair of the Risk Committee and member of the Audit Committee

Joined the Group: July 2016

Key areas of expertise: Governance, Financial Services Regulation, Risk

Skills & experience: Clive has considerable experience of UK and global economic, banking and regulatory matters gained from an extensive career in banking and financial services regulation. He held senior executive and advisory positions with the Financial Conduct Authority (FCA), the former Financial Services Authority and the Bank of England. He was previously Head of Supervision and an Executive Director of the Board of the FCA until May 2015. His strong understanding of the UK and

global banking industry and related risks is invaluable to the Board.

Key external appointments: Chairman at JP Morgan International Bank Limited; Senior Independent Non-Executive Director at Ashmore Group plc; Non-Executive Director of The Prudential Assurance Company Limited and senior adviser at McKinsey & Company.

## Resolution 8 (Ordinary Resolution)

### **David Bennett, Deputy Chairman and Senior Independent Non-Executive Director**

Member of the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee and the Risk Committee

Joined the Group: October 2015

Key areas of expertise: Finance, M&A, Retail Banking

Skills & experience: David has significant experience in retail banking gained from a career spanning more than 30 years and including executive and senior roles in both the UK and internationally. David was Group Finance Director of Alliance & Leicester plc for six years before becoming its Group Chief Executive. Following the acquisition of Alliance & Leicester plc by Banco Santander he was appointed Executive Director on the Board of Abbey National plc. His in-depth experience of retail banking and involvement in organisational, operational and structural change is invaluable as the Group executes its strategy. He was formerly Chairman of Homeserve Membership Limited and has significant Non-Executive Director experience in a listed environment which has included being a Non-Executive Director of Bank of Ireland (UK) PLC, easyJet plc, and CMC Markets PLC.

Key external appointments: Chairman of Ashmore Group plc, Non-Executive Director of PayPal (Europe) S.a.r.l et Cie, S.C.A and Chairman of various companies within the Together Financial Services Limited group.

## Resolution 9 (Ordinary Resolution)

### **Paul Coby, Independent Non-Executive Director**

Member of the Risk Committee

Joined the Group: June 2016

Key areas of expertise: Information Technology, Strategy

Skills & experience: Paul is an accomplished IT professional with significant e-commerce, international and technology experience. In particular his understanding of how technology has changed consumer behaviour, how advances in digital technology can impact customer outcomes and his appreciation of the end-to-end customer journey in a strategic omnichannel context is invaluable to the Group as we develop new products and digital capability. In April 2018, Paul was appointed Chief Information Officer (CIO) of Johnson Matthey PLC. Prior to this, Paul was the John Lewis Partnership's CIO, responsible for leading and coordinating IT across the John Lewis, Waitrose and JLP Group. Previously, Paul was IT Director at John Lewis and CIO at British Airways for 10 years. Paul's other previous roles include Chairman of the Société Internationale de Télécommunications Aéronautiques (SITA), the global provider of systems, solutions and telecommunications to the air transport industry, Non-Executive Director at Pets at Home Group Plc and at P&O Ferries Limited, Chairman of the eSkills UK CIO Board and Chairman of the oneworld CIO Group which coordinated IT links across the 10 airline oneworld Alliance partners.

Key external appointment: Chief Information Officer of Johnson Matthey PLC.

## Explanatory notes

### Resolution 10 (Ordinary Resolution)

#### David Duffy, Executive Director and Chief Executive Officer

Joined the Group: June 2015

Key areas of expertise: Banking, Finance, M&A, Strategy

Skills & experience: David has significant international finance and banking experience gained from a career spanning almost three decades. David's proven ability to build and transform businesses and lead strong management teams brings significant value to all of the Group's stakeholders. Prior to joining the Group, David was Chief Executive Officer at Allied Irish Banks plc, one of the largest retail and commercial banks in Ireland. He is a former Chief Executive Officer of Standard Bank International where he had responsibility for operations in the UK, Europe, Latin America and Asia. He was also previously Head of Global Wholesale Banking Network with ING Group and President and Chief Executive Officer of the ING wholesale franchises in the United States and Latin America. David is a past President of the Banking and Payments Federation of Ireland and a past Director of the European Banking Federation. David's broad-based skills, leadership, energy and strategic vision are invaluable to the Group as it continues its strategic journey and cultural transformation.

Key external appointments: Senior Independent Director of NewTA Limited (trading as UK Finance), the industry body representing leading firms providing finance, banking, markets and payments-related services in or from the UK; HM Treasury Fintech Envoy for England and a Board member of The Northern Powerhouse Partnership.

### Resolution 11 (Ordinary Resolution)

#### Adrian Grace, Independent Non-Executive Director

Chair of the Remuneration Committee

Joined the Group: December 2014

Key areas of expertise: Finance, Financial Services Regulation, Strategy

Skills & experience: Adrian has extensive financial, business leadership and general management experience gained from a career which has spanned a range of consumer and commercial financial services sectors and involved a variety of senior roles. Adrian's experience of designing and implementing substantial change programmes and delivering transformational growth through simple customer focused visions and plans is aligned to the Group's strategy. Having started his career with the Leeds Permanent Building Society and then Mercantile Credit, Adrian joined GE Capital where he spent time in the UK, Asia, and the Americas. He became Managing Director of the Small Business Division at Sage Group plc. He was Chief Executive at Barclays Insurance and Managing Director of Commercial Banking within the Corporate Division of HBOS. Since 2011 Adrian has been Chief Executive Officer at Aegon UK having joined Aegon in 2009 as Group Business Development Director. He was previously on the boards of the Association of British Insurers and Scottish Financial Enterprise.

Key external appointments: Director of various companies within the Aegon Group and a member of the FCA Practitioner Panel representing the life and pensions sector.

### Resolution 12 (Ordinary Resolution)

#### Fiona MacLeod, Independent Non-Executive Director

Member of the Governance and Nomination Committee, the Remuneration Committee and the Risk Committee

Joined the Group: September 2016

Key areas of expertise: M&A, Marketing, Strategy

Skills & experience: Fiona has 30 years' international business experience in leading complex, large scale business transformation and in managing the commercial, human resources and cultural aspects of change programmes. She has demonstrated this both as an executive and as an advisory consultant to both listed and governmental organisations. A substantial part of her career was at BP Group plc where she held various executive positions encompassing Mergers and Acquisitions, Branding and Marketing and latterly the role of President Retail, USA & Latin America. Fiona was formerly Senior Independent Non-Executive Director of STThree plc.

Key external appointments: Non-Executive Director of Denholm Oilfield Services Limited.

### Resolution 13 (Ordinary Resolution)

#### Jim Pettigrew, Chairman

Chair of the Governance and Nomination Committee and member of the Remuneration Committee

Joined the Group: September 2012 and became Chairman in 2014

Key areas of expertise: Finance, Governance, M&A

Skills & experience: Jim has over 30 years' experience in business and finance gained from executive and senior positions principally within financial services. Jim was formerly Chief Executive Officer at CMC Markets PLC, Chief Operating Officer at Ashmore Group PLC, Group Finance Director at ICAP PLC and Deputy Group Finance Director and Group Treasurer at Sedgwick Group PLC. He is a chartered accountant and has extensive Non-Executive Director experience in a listed environment. He was previously Chairman of The Edinburgh Investment Trust PLC, Senior Independent Non-Executive Director of Crest Nicholson PLC, Non-Executive Director at Aberdeen Asset Management PLC, Non-Executive Director at AON UK Limited and Non-Executive Director at Hermes Fund Managers Limited. He is a past President of the Institute of Chartered Accountants of Scotland. His breadth of experience, credibility with key stakeholders and strong leadership qualities make him an effective Chairman.

Key external appointments: Senior Independent Non-Executive Director of Rathbone Brothers Plc and Director of a subsidiary company within the Rathbone Brothers Plc group; Chairman of Miton Group PLC; Chairman of RBC Europe Limited and Director of subsidiary companies within the RBC Group; Chairman of Scottish Financial Enterprise; and Co-Chair of Scotland's Financial Services Advisory Board..

## Resolution 14 (Ordinary Resolution)

### **Dr Teresa Robson-Capps, Independent Non-Executive Director**

Member of the Audit Committee

Joined the Group: October 2014

Key areas of expertise: Finance, Strategy

Skills & experience: Teresa has extensive financial, customer service and general management experience from across a range of industries including telecommunications, financial services and retail. She is a chartered management accountant and has a Doctorate in Accounting and Management Control. Teresa has a breadth of experience gained from executive leadership roles with BT Mobile, Sears plc, Eagle Star/Zurich Financial Services, Cable & Wireless, Reality and Accenture. She joined HSBC Group in 2006 and from 2010 was Deputy Head, Direct Bank & First Direct. Teresa also has strong board experience gained from her previous roles as Chairman of ACS Clothing Group Limited and Non-Executive Director of Broker Network Holdings Limited, Paymentsshield Group Holdings Limited, PowerPlace Insurance Services Limited, Towergate Insurance Limited and Yorkshire Water Services Limited.

Key external appointments: Non-Executive Director of Hastings Group Holdings PLC and FIL Holdings (UK) Limited.

## Resolution 15 (Ordinary Resolution)

### **Ian Smith, Executive Director and Group Chief Financial Officer**

Joined the Group: November 2014

Key areas of expertise: Banking, Finance, M&A, Strategy

Skills & experience: Ian has considerable experience in finance, audit and advising on bank strategy and corporate transactions from a career spanning more than 25 years. He has held senior finance roles in HBOS plc and Lloyds Banking Group plc. He joined the Group in November 2014 from Deloitte LLP where he was a partner specialising in financial services.

Key external appointment: Non-Executive Director of 67 Pall Mall Limited.

## Resolution 16 (Ordinary Resolution)

### **Tim Wade, Independent Non-Executive Director**

Chair of the Audit Committee from November 2016 and member of the Risk Committee

Joined the Group: September 2016

Key areas of expertise: Finance, M&A, Retail Banking, Risk

Skills & experience: Tim has over 20 years' senior experience in retail financial services, including retail banking in both the UK and internationally. An Australian national, he is an experienced Chief Financial Officer; a chartered accountant and a Fellow of the Institute of Chartered Accountants of Australia. Tim was Managing Director at AMP International, responsible for AMP Bank and the Virgin Direct (now Virgin Money) joint venture. He began his career at Arthur Andersen working in Melbourne and Singapore, and in 1994 he joined Colonial Limited, the mutual financial services group, as Chief Taxation Counsel. He became Group Chief Financial Officer in 1997 and Executive Director of State Bank of New South Wales. Tim subsequently oversaw the Initial Public Offering (IPO) of Colonial and was involved in Colonial's subsequent acquisition by Commonwealth Bank – at the time the largest acquisition in Australian corporate history. His previous Non-Executive Director board experience includes Friends Life Group Limited and Monitise plc.

Key external appointments: Chairman at Macquarie Bank International Limited; Non-Executive Director of companies within the Chubb European Group Limited and The Access Bank UK Limited groups; and Non-Executive Director of The Coeliac UK Trading Company Limited.

## Resolution 17 (Ordinary Resolution)

### **Re-appointment of Auditors**

The Company is required at each general meeting at which accounts are presented to shareholders to appoint auditors to hold office until the next such meeting. The Audit Committee has assessed the effectiveness, independence and objectivity of the auditors, Ernst & Young LLP, and concluded that the external auditors were in all respects effective. Resolution 17, which has been recommended to the Board by the Audit Committee, seeks the re-appointment of Ernst & Young LLP as auditors of the Company to hold office until the next general meeting at which accounts are presented.

## Resolution 18 (Ordinary Resolution)

### **Remuneration of Auditors**

Resolution 18 will, if passed, authorise the Audit Committee to set the remuneration of the external auditors.

## Resolution 19 (Ordinary Resolution)

### **Directors' general authorities to allot shares**

Paragraph (A) of resolution 19 seeks authority for the Directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £47,578,139 (representing 475,781,390 ordinary shares of 10 pence each) less any shares or rights granted pursuant to paragraph (B) of resolution 19. Paragraph (B) of resolution 19 seeks authority for the Directors to allot ordinary shares up to a further nominal amount of £47,578,139 (representing 475,781,390 ordinary shares of 10 pence each) provided that these shares are allotted for cash only to existing shareholders pursuant to a rights issue less any shares or rights granted pursuant to paragraph (A) of resolution 19.



## Explanatory notes

The aggregate nominal value of the shares for which authority to allot under resolution 19 is sought is equivalent to approximately two-thirds of the nominal issued ordinary share capital of the Company as at 6 December 2018, being the latest practicable date prior to publication of the Notice.

This authority being sought renews the authority given to Directors at last year's Annual General Meeting and is in line with the Share Capital Management Guidelines ('IA Guidelines') issued by the Investment Association (IA). The IA is a UK body which represents institutional investors and the guidelines it issues represent the expectations of its members.

The IA Guidelines state that, in addition to Directors' requests for authorisation to allot new shares in an amount up to one third of a Company's existing issued ordinary share capital (as proposed in paragraph (A) of resolution 19), IA members will regard as routine any requests to authorise the allotment of shares in an amount up to a further one-third (as proposed in paragraph (B) of resolution 19), provided that any shares allotted in an amount exceeding one-third are used solely for a rights issue and that the authority is only valid until the next Annual General Meeting.

The authorities sought under paragraphs (A) and (B) of resolution 19 will expire on the earlier of 31 March 2020 and the conclusion of the next Annual General Meeting of the Company (unless otherwise varied, revoked or renewed).

The Directors have no present intention to exercise either of the authorities sought under resolution 19, and are requesting it only to ensure that the Company maintains the maximum flexibility permitted to manage its capital resources.

If passed, the authority granted pursuant to resolution 19 will exist in addition to the allotment authorities currently in existence relating to (i) the issue of shares up to an aggregate nominal amount of £200,000,000 pursuant to the terms of a conduct indemnity deed entered into between the Company and National Australia Bank in connection with the demerger (the 'Conduct Indemnity Authority') and (ii) the issue of shares up to an aggregate nominal amount of £450,000,000 in connection with the

issue by the Company of £450,000,000 fixed rate reset perpetual subordinated contingent convertible notes (the 'Convertible Notes Authority') and the allotment authorities being sought pursuant to resolution 22 relating to the issue of shares up to an aggregate nominal amount of £15,000,000 in connection with the issue by Virgin Money Holdings (UK) plc of £160,000,000 fixed rate resettable additional tier 1 securities and £230,000,000 resettable additional tier 1 securities.

As at 6 December 2018 (being the latest practicable date prior to publication of the Notice), the Company did not hold any ordinary shares in treasury.

### Resolutions 20 and 21 (Special Resolutions)

#### General disapplication of pre-emption rights

The Pre-emption Group's Statement of Principles, as updated in March 2015, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of the issued ordinary capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, resolution 20 allows the Directors to allot shares and sell treasury shares for cash on a non pre-emptive basis, i.e. without first having to offer them to existing shareholders in proportion to their holdings, up to a nominal value of £7,136,720 (representing 71,367,200 ordinary shares of 10 pence each).

This aggregate nominal amount represents approximately 5% of the total issued ordinary share capital of the Company as at 6 December 2018, being the latest practicable date prior to publication of the Notice. On that date the Company did not hold any shares in treasury.

The Pre-emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and sales of treasury shares for cash representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used in connection with an acquisition or specified capital investment.

The Pre-emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-emption Group in May 2016, the purpose of resolution 21 is to authorise the Directors to allot new shares pursuant to the allotment authority given by resolution 19, or sell treasury shares for cash up to a further nominal amount of £7,136,720 (representing 71,367,200 ordinary shares of 10 pence each) equivalent to approximately 5% of the total issued ordinary share capital of the Company as at 6 December 2018, only in connection with an acquisition or specified capital investment which is announced contemporaneously with an allotment or sale, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment or sale. If the authority given in resolution 21 is used, the Company will publish details of the allotment or sale in the next Annual Report and Accounts.

If passed, the authorities granted pursuant to resolutions 20 and 21 will exist in addition to the disapplication of pre-emption rights authorities currently in existence relating to the Conduct Indemnity Authority and the Convertible Notes Authority.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non-pre-emptive basis pursuant to the authority in resolution 20 in excess of 7.5% of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, other than with prior consultation with shareholders or in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and disclosed in the announcement of the allotment or sale.

The authorities sought under resolutions 20 and 21 will expire on the earlier of 31 March 2020 and the conclusion of the next Annual General Meeting of the Company (unless otherwise varied, revoked or renewed).

## Resolution 22 (Ordinary Resolution)

### **Directors' authorities to allot equity securities in connection with AT1 Securities**

Paragraph (A) of resolution 22 seeks authority for the Directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £15,000,000 (representing 150,000,000 ordinary shares of 10 pence each) in connection with the conversion of £160,000,000 fixed rate resettable additional tier 1 securities and £230,000,000 resettable additional tier 1 securities issued by Virgin Money Holdings (UK) plc, a subsidiary of the Company (together the 'Virgin Money AT1 Securities'), into ordinary shares in the Company in the event that the common equity tier 1 ratio of the Issuer Group (as defined in the terms and conditions of those Virgin Money AT1 Securities) fall below a threshold specified in those terms and conditions (a 'Trigger Event'). Paragraph (B) of resolution 22 seeks authority for the Directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £35,000,000 (representing 350,000,000 ordinary shares of 10 pence each) in connection with the issue of further additional tier 1 securities where the Directors consider these necessary or desirable including in connection with, or for the purposes of complying with or maintaining compliance with the regulatory requirements applicable to the Company and its subsidiaries, and subject to applicable law and regulation, at conversion prices or in accordance with conversion methodologies determined by the Directors.

The authorities sought under resolution 22 will expire on the conclusion of the Annual General Meeting of the Company to be held in 2024 (unless otherwise varied, revoked or renewed).

If passed, the authorities granted pursuant to resolution 22 will exist in addition to the allotment authorities currently in existence relating to (i) the issue of shares up to an aggregate nominal amount of £200,000,000 pursuant to the terms of a conduct indemnity deed entered into between the Company and National Australia Bank Limited in connection with the demerger (the 'Conduct Indemnity Authority') and (ii) the issue of shares up to an aggregate nominal amount of £450,000,000 in connection with the issue by the Company of £450,000,000 fixed rate reset perpetual subordinated contingent convertible notes (the 'Convertible Notes Authority'), and the general authorities being sought pursuant to resolution 19.

## Resolution 23 (Special Resolution)

### **Disapplication of pre-emption rights in connection with AT1 Securities**

Resolution 23 allows the Directors to allot shares on a non pre-emptive basis, i.e. without first having to offer them to existing shareholders in proportion to their holdings, up to a nominal value of £15,000,000 (representing 150,000,000 ordinary shares of 10 pence each) in relation to a conversion of Virgin Money AT1 Securities into ordinary shares in the Company, and up to a nominal value of £35,000,000 (representing 350,000,000 ordinary shares of 10 pence each) in connection with any issue of additional AT1 securities, in each case as if section 561 of the Act (existing shareholders' right of pre-emption), to the extent applicable, did not apply to any such allotment.

The authorities sought under resolution 23 will expire on the conclusion of the Annual General Meeting of the Company to be held in 2024 (unless otherwise varied, revoked or renewed).

If passed, the authorities granted pursuant to resolution 23 will exist in addition to the disapplication of pre-emption rights authorities currently in existence relating to the Conduct Indemnity Authority and the Convertible Notes Authority, and the general authorities being sought pursuant to resolutions 20 and 21.

## Resolution 24 (Special Resolution)

### **Authority to make market purchases of own shares**

The authority being sought renews the authority given to Directors at last year's Annual General Meeting and pursuant to that authority there have been no ordinary shares that have been repurchased during the year. Resolution 24, which will be proposed as a special resolution, seeks shareholders' approval of the purchase by the Company of a maximum number of shares which, taken together with any ordinary shares purchased by the Company pursuant to resolution 25 is 142,734,419 ordinary shares representing approximately 10% of the issued share capital of the Company as at 6 December 2018 (being the latest practicable date prior to the publication of the Notice).

The Directors have no present intention of exercising the authority to make market purchases. However, the authority provides the flexibility to allow them to do so in the future.

The Directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally and would lead to an increase in the Company's earnings per share.

Any purchase of ordinary shares would be by means of market purchases.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 10 pence, its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 5% above the average middle market value for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

## Explanatory notes

The Company has share awards outstanding over 7,229,389 ordinary shares, representing 0.51% of the Company's issued share capital as at 6 December 2018. If the existing authority given at the 2018 Annual General Meeting and the authority now being sought by resolution 24 and resolution 25 were to be fully used, the shares so acquired would represent approximately 0.60% of the Company's issued share capital.

This authority will expire on the earlier of 31 March 2020 and the conclusion of the next Annual General Meeting of the Company (unless otherwise varied, revoked or renewed).

### Resolution 25 (Special Resolution)

#### Contingent Purchase Contract (‘CP Contract’)

The Company is not able to purchase CDIs directly on the Australian Securities Exchange and so the authority sought at resolution 24 cannot be used for market purchase of CDIs. In order to purchase CDIs, the Company would need to make off-market purchases in accordance with section 694 of the Act.

The authority being sought by resolution 25 will allow the Company to make off-market purchases of ordinary shares implemented by entering into the CP Contract with Macquarie Securities (Australia) Limited (‘Macquarie’). It is proposed that Macquarie would buy CDIs on the Australian Securities Exchange and then convert those CDIs into ordinary shares (‘Converted Shares’).

The Company would then have an obligation to buy any Converted Shares from Macquarie up to a maximum as explained below.

Section 694 of the Act provides that the terms of any off-market buy-back contract must be approved by shareholders. Resolution 25, which will be proposed as a special resolution, seeks shareholders' approval of the terms of the CP Contract pursuant to which the Company will purchase a maximum number of Converted Shares which, taken together with any ordinary shares purchased by the Company pursuant to resolution 24, would be limited

to 142,734,419 ordinary shares representing approximately 10% of the issued share capital of the company as at 6 December 2018 (being the latest practicable date prior to the publication of the Notice).

The Directors have no present intention of exercising the authority to make off-market purchases. However the authority provides the flexibility to allow them to do so in the future. The Directors will exercise this authority pursuant to this resolution and resolution 24 only when to do so would be in the best interests of the Company and of its shareholders generally and would lead to an increase in the Company's earnings per share.

Under the terms of the CP Contract, the minimum price (exclusive of expenses) which may be paid by Macquarie for a CDI is the Australian dollar equivalent of 10 pence per CDI. The maximum price (exclusive of expenses) which may be paid by Macquarie for a CDI is the highest of (i) an amount equal to 5% above the average closing price for a CDI for the previous five business days preceding the day on which the Company instructs Macquarie to purchase CDIs on which sales of CDIs were recorded on the Australian Securities Exchange and (ii) the higher of the price of the last independent trade and the highest current independent bid for a CDI on the trading venue where the purchase is carried out. The price to be paid by the Company for a Converted Share is the price paid by Macquarie for the relevant CDI plus expenses.

Converted Shares purchased under this authority may be held in treasury or they may be cancelled. The Directors will consider holding any Converted Shares the Company may purchase as treasury shares.

This authority will expire on the earlier of 31 March 2020 and the conclusion of the next Annual General Meeting of the Company (unless otherwise varied, revoked or renewed).

A draft of the CP Contract referred to in this resolution is available for inspection by members of the Company at the Company's registered office and also the Company's office at 15th Floor, 122 Leadenhall Street, London, EC3V 4AB,

United Kingdom during office hours from and including 14 December 2018 up to and including 30 January 2019 and will be available from 9.00am (Melbourne time – AEDT) on 30 January 2019 at the AGM venue until the conclusion of the Meeting.

### Resolution 26 (Ordinary Resolution)

#### Authority to make political donations

It is the Company's policy not to make any donations to political parties or incur political expenditure within or outside of the EU within the ordinary meaning of those words. However, given the wide definition of donations and expenditure within the Act, activities which form part of the regular operations of the Company such as communicating with government at local, national and European level and funding events to which politicians are invited, may be covered.

Part 14 of the Act requires companies to obtain shareholders' authority for donations to registered parties and other political organisations totalling more than £5,000 in any twelve month period and for any political expenditure, subject to limited exceptions.

The Board seeks to obtain authority in accordance with sections 366 and 367 of the Act for the Group to incur political expenditure or make political donations, as defined in section 365 of the Act, not exceeding £100,000 in aggregate during the period from the date of the Meeting to the conclusion of the Company's next Annual General Meeting or 31 March 2020, whichever is earlier.

This authority is similar to that given by shareholders at the AGM in 2018 and is a precautionary measure to ensure that the Group does not inadvertently breach the Act. This authority is being sought for prudence and will not be used to make political donations within the normal meaning of that expression.

## General information

### Publication of Audit concerns

Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes consideration of any statement that the Company has been required under section 527 of the Act to publish on a website.

### Electronic publication

A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.cybg.com](http://www.cybg.com).

### Electronic addresses

Shareholders and CDI holders are advised that they may not use any electronic address provided in this Notice or any related documents (including the Proxy Form or CDI Voting Instruction Form) to communicate with the Company for any purpose other than those expressly stated.

### Documents on display

The following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the registered office of the Company at 20 Merrion Way, Leeds, West Yorkshire, LS2 8NZ, United Kingdom and the Company's office at 15th Floor, 122 Leadenhall Street, London, EC3V 4AB, United Kingdom and will also be available for inspection at the place of the Meeting from 9.00am (Melbourne time – AEDT) on 30 January 2019 prior to the Meeting until its conclusion: (i) copies of the Executive Directors' service agreements; (ii) copies of the Non- Executive Directors' letters of appointment; and (iii) a copy of the Contingent Purchase Contract ('CP Contract') between the Company and Macquarie Securities (Australia) Limited.

### Total voting rights

As at 6 December 2018 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 1,427,344,192 ordinary shares of 10 pence, carrying one vote each. There were no shares held in treasury.

# Voting information for holders of ordinary shares other than CDI holders

## Entitlement to vote at the Annual General Meeting ('AGM')

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, as amended, and section 360B of the Act, to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 11.00pm (London time – GMT) on 25 January 2019 (or, in the event of any adjournment, at 11.00pm (London time – GMT) on the date which is two working days before the time of the adjourned AGM). Changes to entries on the Register of Members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the AGM.

## Voting ahead of the AGM

Your vote is important whether you are able to attend the AGM or not.

Voting on all resolutions will be conducted by way of a poll. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting.

### Proxy Form

Make your vote count. If you cannot attend and vote at the AGM, you can still vote by proxy either by:

- Completing and returning a Proxy Form; or
- Registering your proxy vote electronically by logging on to the Registrar's website, [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using your Control Number, the Shareholder Reference Number (SRN) and PIN (printed on the Proxy Form) or by using the CREST electronic proxy appointment service.

The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the AGM and voting in person if he/ she wishes to do so.

### Proxy voting

A Proxy Form for use by shareholders is enclosed with this Notice. If you wish to vote by proxy on any of the resolutions, you should complete and return your Proxy Form to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom as soon as possible, but in any event so as to arrive no later than 11.00pm (London time – GMT) on 25 January 2019 (or, in the event of any adjournment, so as to arrive no later than two working days before the time appointed for the meeting). Your proxy need not be a shareholder, but must attend the AGM for their vote to count. The number of shares you hold as at 11.00pm (London time – GMT) on 25 January 2019 will determine how many votes you or your proxy will have. You can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by you.

Details of how to appoint the Chairman or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on a resolution, then when the Chairman votes as proxy on a poll, his current intention is to vote in favour of each of the proposed resolutions. The Chairman will also have discretion as to how to vote on any other resolution which may properly come before the Meeting (e.g. a request for an adjournment). The Chairman's intention necessarily expresses his intention at the date this Notice was printed and prior to circulation to shareholders and therefore, in exceptional circumstances, the Chairman's intention may change subsequently. Appointing a proxy does not preclude you from attending the Meeting and voting in person.

### Electronic proxy voting

Shareholders who would prefer to register the appointment of their proxy electronically by way of the internet can do so by logging onto the website of the Company's Registrar: [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using their Control Number, Shareholder Reference Number (SRN) and PIN (printed on the Proxy Form). Full details of the procedures are given on the Computershare website. Electronic appointments and/or voting instructions must be received by Computershare Investor Services PLC no later than 11.00pm (London time – GMT) on 25 January 2019. Please note that any electronic communication sent to the Company or the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by Computershare Investor Services PLC's conditions of use set out on the website <https://www.investorcentre.co.uk/eproxy> and may be read by logging on to that site.

### CREST proxy voting

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 30 January 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual by logging onto the website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instructions as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy



or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11.00pm (London time – GMT) on 25 January 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting system providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, as amended.

#### **Proxy appointed under power of attorney or other authority**

Proxy instructions given under authority on behalf of a holder of ordinary shares must be submitted by mailing a Proxy Form. If the Proxy Form is signed under a power of attorney or other authority on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or other authority or a certified copy is sent to the Company's Registrar, Computershare Investor Services PLC, by 11.00pm (London time – GMT) on 25 January 2019 (or, in the event of any adjournment of the AGM, so as to arrive no later than two working days before the time of the adjourned meeting). Persons voting under a power of attorney must do so by using the hard copy Proxy Form.

#### **Voting by corporate representatives**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that where more than one is appointed they do not do so in relation to the same shares. A corporate representative letter is available from Computershare on request.

#### **Indirect investors**

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person'), may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may under any such agreement have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

# Voting information for CDI holders

## Entitlement to vote at the AGM

Only those CDI holders entered in the register of CDI holders of the Company as at 7.00pm (Melbourne time – AEDT) on 25 January 2019 (or, in the event of any adjournment on the date which is two working days before the time of the adjourned AGM) are entitled to provide voting instructions to CDN in respect of the number of CDIs registered in their name at that time. Changes to entries on the register of CDI holders after the relevant deadline will be disregarded in determining the rights of any person to provide voting instructions to CDN in regard to the AGM.

### Voting by poll

Your vote is important whether you are able to attend the AGM or not.

Voting on all resolutions will be conducted by way of a poll. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting.

### Exercising your voting rights

To exercise your voting rights you must complete and return the CDI Voting Instruction Form. There are two different options on the CDI Voting Instruction Form and you must choose one if you want to exercise your voting rights:

#### – Option A: Appoint CDN to exercise your voting rights

**Do not select this option if you wish to attend and vote at the Meeting in person.**

Appoint CDN to exercise the voting rights attached to the ordinary shares it holds on your behalf. If you choose this option, you must direct CDN how to vote on each of the resolutions by completing Section C of the CDI Voting Instruction Form.

#### – Option B: Instruct CDN to appoint yourself or another person as its proxy

Instruct CDN to appoint yourself or any other person (i.e. the Chairman of the Meeting) as its proxy in respect of the ordinary shares it holds on your behalf so that you or the other person can attend the AGM in person and vote on each of the resolutions. If you choose this option, you may direct the person you instruct CDN to appoint (as its proxy) how to vote on each of the resolutions by completing Section C of the CDI Voting Instruction Form. If you do not direct the person how to vote on a resolution, they may vote as they choose on the resolution. The person you direct CDN to appoint as its proxy does not need to be a shareholder of the Company but must attend the Meeting for their vote to count.

If you instruct CDN to appoint the Chairman of the Meeting as its proxy but do not direct the Chairman how to vote on a resolution, then when the Chairman votes as proxy on a poll, his current intention is to vote in favour of each of the proposed resolutions. The Chairman will also have discretion as to how to vote on any other resolution which may properly come before the Meeting (e.g. a request for an adjournment). The Chairman's intention necessarily expresses his intention at the date this Notice was printed and prior to circulation to securityholders and therefore, in exceptional circumstances, the Chairman's intention may change subsequently.

**You must choose option B of the CDI Voting Instruction Form and instruct CDN to appoint yourself as its proxy if you wish to attend and vote at the Meeting in person. If you do not complete Option B of the CDI Voting Instruction Form you will only be able to attend the AGM and speak but you will not be able to vote.**

The number of CDIs you hold as at 7.00pm (Melbourne time – AEDT) on 25 January 2019 will determine how many votes you can exercise.

## Submitting a CDI Voting Instruction Form

CDI Voting Instruction Forms can be submitted:

- By mail by sending the enclosed CDI Voting Instruction Form to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia.
- By internet by [www.investorvote.com.au](http://www.investorvote.com.au). Please note that any electronic communication sent to the Company or the Registrar that is found to contain a computer virus will not be accepted.

To be valid, your CDI Voting Instruction Form must be received by Computershare Investor Services Pty Limited no later than 9.00pm (Melbourne time – AEDT) on 25 January 2019 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned AGM). If your CDI Voting Instruction Form is not received by then, it will be disregarded.

### Voting instructions provided under power of attorney or other authority

Voting instructions given under authority on behalf of a holder of CDIs must be submitted by mailing a CDI Voting Instruction Form. If the CDI Voting Instruction Form is signed under a power of attorney or other authority on behalf of a CDI holder, then the attorney must make sure that either the original power of attorney or other authority or a certified copy is sent to Computershare Investor Services Pty Limited, by 9.00pm (Melbourne time – AEDT) on 25 January 2019 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned AGM).

## AGM location map and schedule



The AGM will take place at the:

### **Melbourne Convention and Exhibition Centre ('MCEC')**

1 Convention Centre Place  
South Wharf  
Melbourne  
Victoria 3006  
Australia

and can easily be reached by public transport from the Central Business District of Melbourne. A map showing the location of the venue is above (recommended to enter by the Clarendon Street entrance) and more information can also be found online at [www.mcec.com.au](http://www.mcec.com.au). There will be signage at the venue which will direct you to the AGM room.

### **AGM schedule**

#### **9.00am**

#### **Registration desks open**

Question Registration Point opens and refreshments available in the Foyer

#### **10.00am**

#### **AGM commences**

- Welcome and introduction
- Opening address
- Questions and answers
- Poll vote on all resolutions

#### **AGM closes**

# Attendance at the Annual General Meeting (AGM)

## Registration

On arrival at the AGM all those entitled to vote will be required to register and collect a poll card. In order to facilitate these arrangements, it would be helpful if shareholders and CDI holders arrive at the AGM in good time. Shareholders and CDI holders entitled to vote at the AGM will be given instructions on how to fill in the poll card at the Meeting. You may also find it helpful to bring this document with you so that you can refer to it at the AGM.

**Please note that if you are a CDI holder and would like to attend and vote at the AGM you must complete Option B of the CDI Voting Instruction Form and appoint yourself as CDN's proxy and return the form in accordance with the instructions on page 18 of this document and the CDI Voting Instruction Form. If you do not complete Option B of the CDI Voting Instruction Form you will only be able to attend the AGM and speak but you will not be able to vote.**

## Accessibility

Any shareholder or CDI holder with special needs wishing to attend the AGM should contact Computershare UK so that appropriate arrangements can be made (contact details are on this page). Anyone accompanying a shareholder or CDI holder in need of assistance will be admitted to the AGM.

## Security

We thank you in advance for your co-operation with our security staff. Please note that for security reasons, all hand baggage may be subject to examination prior to entry to the AGM. Mobile phones may not be used in the AGM and cameras, video recorders, laptop computers and similar equipment may not be taken into the AGM. Anyone attempting to take photos, record or film proceedings may be asked to leave.

## Business of the AGM

The AGM is held to conduct certain formal business. The formal resolutions which are to be put to the Meeting are detailed on pages 4 to 7 of this Notice. All the resolutions are matters typically sought at the AGM for a UK public listed company and, in accordance with the UK Corporate Governance Code, all Directors will be seeking election or re-election at the AGM. There will also be an opportunity for shareholders and CDI holders to ask questions relating to the business of the Meeting.

## Asking questions

Any shareholder or a CDI holder attending the AGM will have the opportunity to ask questions, but we would ask you to keep your questions and statements short and relevant to the business of the AGM to allow everyone who wishes to speak the chance to do so.

There may be many shareholders or CDI holders who wish to ask questions. In order to facilitate this, those wanting to ask a question at the AGM are requested to register their question at the Question Registration Point in the foyer. When called upon to ask your question at the AGM, please be considerate of others who may have waited for some time to ask their question and do not make speeches or ask multiple or repetitive questions.

The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

## AGM Webcast

The AGM will be webcast live at 10.00am (Melbourne time – AEDT) on Wednesday 30 January 2019 on the Company's website [www.cybg.com](http://www.cybg.com) and a recording will also be available shortly after the conclusion of the AGM.

The webcast may include footage of the question and answer session with shareholders present at the AGM in addition to background shots of those in attendance. Photographs may also be taken at the AGM and used in future CYBG Group publications. If you attend the AGM in person you may be included in the webcast recording and/or photographs.

## Shareholders' queries

If you have any queries please contact the Company's Registrars, details of which are below:

### Australia

Holders of CDIs quoted on the Australian Securities Exchange please contact:

Phone:  
(within Australia) – 1800 764 308  
(outside Australia) – 03 9415 4142

Online:  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

Post:  
Computershare Investor Services  
Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001  
Australia

### United Kingdom

Holders of ordinary shares listed on the London Stock Exchange please contact:

Phone:  
+44 (0)370 707 1172

Online:  
[www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

Post:  
Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ  
United Kingdom

The paper used for this report is produced using 100% virgin wood fibre from well-managed forests. The pulp is bleached using an Elementary Chlorine Free (ECF) process and the mill has both FSC® and PEFC™ certification.



Designed by  
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