



## NatWest Group plc

(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,  
registered number SC045551)

### £40,000,000,000 Euro Medium Term Note Programme

On 22 February 1994, NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc) entered into a £1,500,000,000 (since increased from time to time to £40,000,000,000) Euro Medium Term Note Programme (the "**Programme**") and issued a prospectus on that date describing the Programme. Further prospectuses describing the Programme were issued by NatWest Group plc (the "**Issuer**" or "**NatWest Group**") and NatWest Markets Plc, the latest prospectus being issued on 21 November 2019. This Prospectus supersedes any previous prospectus. Any Notes (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Prospectus.

Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue notes (the "**Notes**") denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed £40,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). Notes to be issued under the Programme may comprise (i) unsubordinated Notes (the "**Ordinary Notes**") and (ii) Notes which are subordinated as described herein with a maturity date and with terms capable of qualifying as Tier 2 Capital (as defined herein) (the "**Tier 2 Notes**").

The requirement to publish a prospectus under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). References in this Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Regulation. **Information contained in this Prospectus regarding Exempt Notes shall not be deemed to form part of this Prospectus and the FCA (as defined below) has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.**

The Notes may be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**").

This Prospectus has been approved by the Financial Conduct Authority (the "**FCA**") as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. This Prospectus is valid for a period of twelve months from the date of approval.

Application has been made to the FCA for Notes (other than Exempt Notes) issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market (the "**Market**"). References in this Prospectus to Notes (other than Exempt Notes) being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MIFID II**"). The Programme provides that Exempt Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Exempt Notes and/or Exempt Notes not admitted to trading on any market. In the case of Exempt Notes, the applicable Pricing Supplement (as defined below) will state whether or not the relevant Notes will be listed and/or admitted to trading.

Other than in the case of the Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and other information which is applicable to each Tranche of such Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the FCA and the London Stock Exchange on or before the date of issue of the Notes of such Tranche. In the case of Exempt Notes, notice of the aggregate nominal amount, interest (if any) payable in respect of such Notes, the issue price of such Notes and other information which is applicable to each Tranche of Exempt Notes will be set out in a pricing supplement document (the "**Pricing Supplement**"). Accordingly, in the case of Exempt Notes, each reference in this Prospectus to the applicable Final Terms shall be read and construed as a reference to the applicable Pricing Supplement unless the context requires otherwise.

**Prospective investors should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, the Trustee (as defined herein) or any Dealer in that regard. Prospective investors should consider carefully the risks set forth herein under "Risk Factors" prior to making investment decisions with respect to the Notes.**

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the terms and conditions of the Notes herein, in which event, in the case of Notes (other than Exempt Notes) and if appropriate, a drawdown prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of listed Exempt Notes only and if appropriate, a supplementary prospectus or drawdown prospectus will be published which will describe the effect of the agreement reached in relation to such Notes, or such additional terms will be set out in the applicable Pricing Supplement.

As at the date of this Prospectus: (i) long-term senior obligations of the Issuer are rated "BBB" by S&P Global Ratings Europe Limited ("**S&P**"), "Baa2" by Moody's Investors Service Ltd. ("**Moody's**"), "A" by Fitch Ratings Limited ("**Fitch**") and "A" by Japan Credit Rating Agency, Ltd. ("**JCR**"); and (ii) short-term obligations of the Issuer are rated "A-2" by S&P, "P-2" by Moody's and "F1" by Fitch. For further information on the meanings of these credit ratings please see the definitions set forth herein under "General Information – Credit Ratings". Notes issued under the Programme may be rated or unrated. When an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and such rating may be specified in the applicable Final Terms. S&P, Moody's and Fitch, are each established in the EEA or in the UK and registered under the Regulation (EC) No. 1060/2009 (as amended, the "**CRA Regulation**"). JCR is not established in the EEA or in the UK but is certified under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency registered (or certified) under the CRA Regulation.

Arranger

NatWest Markets

Dealers

ABN AMRO  
BofA Securities  
Crédit Agricole CIB  
Daiwa Capital Markets Europe  
ING

BBVA  
Citigroup  
Crédit Suisse  
Deutsche Bank  
J.P. Morgan

Mizuho Securities  
NatWest Markets  
RBC Capital Markets  
Société Générale Corporate & Investment Banking  
UBS Investment Bank

Morgan Stanley  
Nomura  
SMBC Nikko  
TD Securities  
UniCredit Bank

This Prospectus (excluding the section headed "Form of Pricing Supplement") comprises a base prospectus for the purposes of the Prospectus Regulation in respect of Notes other than Exempt Notes. This Prospectus has also been prepared for the purpose of giving information with regard to the Issuer and its subsidiaries, which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attaching to the Notes and the reasons for any issuance of Notes and its impact on the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus and the section headed "Form of Pricing Supplement", and to the best of its knowledge, the information contained in this Prospectus and the section headed "Form of Pricing Supplement" is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Notes may only be issued in bearer form. Each Tranche of Notes will be initially represented by a global Note which will, (i) if the global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); (ii) if the global Notes are not intended to be issued in NGN form ("**CGN**"), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg; and (iii) if the global Notes are intended to be cleared through the Central Moneymarkets Unit Service ("**CMU Service**") operated by the Hong Kong Monetary Authority (the "**CMU Operator**"), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a sub-custodian for the CMU Service (such Notes initially cleared through the CMU Service, the "**CMU Notes**"). A temporary global Note will be exchangeable for either a permanent global Note or Notes in definitive form, in each case as specified in the applicable Final Terms, and in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable for definitive Notes, in whole or, in the circumstances described in "Form of the Notes" below, in part, upon either (a) 60 days' notice given at any time or (b) only upon the occurrence of an Exchange Event (as defined in "Form of the Notes" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and Notes are (unless (i) the applicable Final Terms indicate that the Limited Exchange Event as defined in "Form of the Notes" applies and (ii) the Notes are treated as issued in registered form for U.S. federal income tax purposes) subject to U.S. tax law requirements under the U.S. Tax Equity and Fiscal Responsibility Act of 1982. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale" below).

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

None of the Dealers, the Agent, the other Paying Agents and the Trustee has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Dealers, the Agent, the other Paying Agents or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any financial statements or any other information provided by the Issuer in connection with the Programme or the Notes.

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as a Green, Social or Sustainability Bond or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as a Green, Social or Sustainability Bond, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as a Green, Social or Sustainability Bond, nor

is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

No person has been authorised to give any information or to make any representation not contained in or which is inconsistent with this Prospectus (including the information incorporated by reference herein) and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers, the Agent, the other Paying Agents or the Trustee.

This Prospectus (including the information incorporated by reference herein) (i) is not intended to provide the basis of any credit or other evaluation and (ii) should not be considered as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, any of the Dealers, the Agent, the other Paying Agents or the Trustee that any recipient of this Prospectus (including the information incorporated by reference herein) should purchase any Notes. Prospective investors should have regard to the factors described under, and referred to in, the section headed "Risk Factors" in this Prospectus. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus (including the information incorporated by reference herein) does not constitute an offer or invitation by or on behalf of the Issuer, any of the Dealers, the Agent, the other Paying Agents or the Trustee to any person to subscribe for or to purchase any Notes.

The delivery of this Prospectus does not at any time imply that the information contained in this Prospectus (including the information incorporated by reference herein) concerning the Issuer is correct at any time subsequent to the date of this Prospectus. The Dealers, the Agent, the other Paying Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme.

The Issuer, the Dealers, the Agent, the other Paying Agents and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Agent, the other Paying Agents or the Trustee which is intended to permit distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented accordingly.

This Prospectus has been prepared on the basis that any offer of Notes must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and/or the offer or sale of Notes in the United States of America, the United Kingdom, the EEA, Australia, Japan, Hong Kong, the PRC (as defined below), France and Singapore (see "Subscription and Sale" below).

All references in this Prospectus to "euro", "€" and "EUR" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union as amended, those to "Japanese Yen" refer to the lawful currency of Japan, those to "Sterling" and "£" refer to the lawful currency of the United Kingdom, those to "Australian dollars" and "A\$" refer to the lawful currency of Australia, those to "CNY" or "Renminbi" refer to the lawful currency of the PRC and those to "United States dollars" refer to the lawful currency of the United States of America.

All references in this Prospectus to "PRC" are to the People's Republic of China, which for the purpose of this Prospectus shall exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan.

**Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:**

- (i) **have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement and all information contained in the applicable Final Terms;**
- (ii) **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;**
- (iii) **have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**
- (iv) **understand thoroughly the terms of the relevant Notes and be familiar with any relevant indices and financial markets; and**
- (v) **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone instruments. They purchase complex financial instruments as a way to enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor should consult its own financial and legal advisers about the risks entailed by an investment in any Notes with returns that are calculated with reference to a variable and the suitability of such Notes in light of the potential investor's particular circumstances.

An investment in the Notes may give rise to higher yields than a bank deposit placed with a deposit-taking entity in the Group (as defined below) (a "Bank Deposit"). However, an investment in the Notes carries risks which are very different from the risk profile of a Bank Deposit. The Notes are expected to have greater liquidity than a Bank Deposit since Bank Deposits are generally not transferable. However, the Notes may have no established trading market when issued, and one may never develop. See further *"Risk Factors – Risk Factors relating to the Notes - Risks relating to the market generally – The secondary market generally"*. In addition, payments on Tier 2 Notes are subordinated obligations of the Issuer. Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU

of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing this Directive in any jurisdiction. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in such Notes in a worst case scenario could lose their entire investment. Further, under the Banking Act 2009, as amended (the "Banking Act"), holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. See further "*Risk Factors – Risk Factors relating to the Notes – Risks related to the structure of a particular issue of Notes – The Notes may be written down or converted into ordinary shares*".

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (if any) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

The Commissioners of Her Majesty's Treasury ("**HM Treasury**") have neither reviewed this Prospectus nor verified the information contained in it, and HM Treasury makes no representation with respect to, and does not accept any responsibility for, the contents of this Prospectus or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue and offering of the Notes by the Issuer. HM Treasury accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers (in each case, in such capacity) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**IMPORTANT – EEA AND UK RETAIL INVESTORS** - If the applicable Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK 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 EEA or in the UK. 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**Benchmark Regulation** – Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SFA** – The applicable Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" as defined in Section 309A(1) of the SFA in relation to each issue about the classification of the Notes being offered for purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

### **Forward-looking Statements**

This Prospectus, including certain documents incorporated by reference herein, contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as the Group's future economic results, business plans and strategies. In particular, this Prospectus, including certain documents incorporated by reference herein, may include forward-looking statements relating to the Group in respect of, but not limited to: its regulatory capital position and related requirements, its financial position, profitability and financial performance (including financial, capital and operational targets), its access to adequate sources of liquidity and funding, increasing competition from new incumbents and disruptive technologies, its exposure to third party risks, its ongoing compliance with the UK ring-fencing regime and ensuring operational continuity in resolution, its impairment losses and credit exposures under certain specified scenarios, substantial regulation and oversight, ongoing legal, regulatory and governmental actions and investigations, the transition of LIBOR and IBOR rates to alternative risk free rates and the Group's exposure to economic and political risks (including with respect to terms surrounding Brexit and climate change), operational risk, conduct risk, cyber and IT risk, key person risk and credit rating risk. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the final number of payment protection insurance (PPI) claims and their amounts, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate

fluctuations, general economic and political conditions and the uncertainty surrounding the COVID-19 pandemic and its impact on the Group. These and other factors, risks and uncertainties that may impact any forward-looking statement or the Group's actual results are discussed in the 2019 Annual Report and Accounts of the Group and the Group Q1 2020 IMS. The forward-looking statements contained in this Prospectus, including certain documents incorporated by reference herein, speak only as of the date of such document and the Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.



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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor.*

*Words and expressions defined under the headings "Form of the Notes" or "Terms and Conditions of the Ordinary and Tier 2 Notes" below shall have the same meanings in this overview. The Issuer may agree with any Dealers that Notes may be issued in a form other than that contemplated in "Terms and Conditions of the Ordinary and Tier 2 Notes" herein, in which event, in the case of Notes (other than Exempt Notes) and if appropriate, a drawdown prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of listed Exempt Notes only and if appropriate, a supplementary prospectus or drawdown prospectus will be published which will describe the effect of the agreement reached in relation to such change, or such additional terms will be set out in the applicable Pricing Supplement.*

### **Issuer**

NatWest Group plc ("**NatWest Group**").

NatWest Group is a public limited company incorporated in Scotland. NatWest Group is the holding company of a large banking and financial services group. Headquartered in Edinburgh, NatWest Group and its subsidiaries consolidated in accordance with International Financial Reporting Standards (together, the "**Group**") operate in the United Kingdom and internationally through NatWest Group's principal subsidiaries, NatWest Markets Plc ("**NatWest Markets**") and National Westminster Bank plc ("**NatWest**").

As at 30 September 2020, HM Treasury held 61.9 per cent. of the issued ordinary share capital of NatWest Group.

The Group had total assets of £791.6 billion and owners' equity of £43.2 billion as at 30 September 2020. The Group's capital ratios on the end-point CRR basis as at 30 September 2020 were a total capital ratio of 23.7 per cent., a CET1 capital ratio of 18.2 per cent. and a Tier 1 capital ratio of 20.5 per cent. The Group's capital ratios on the PRA transitional basis as at 30 September 2020 were a total capital ratio of 25.0 per cent., a CET1 capital ratio of 18.2 per cent. and a Tier 1 capital ratio of 20.9 per cent.

### **Risk Factors**

The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

### **Arranger**

NatWest Markets Plc.

### **Dealers**

ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria, S.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, Morgan Stanley & Co. International plc,

	NatWest Markets Plc, Nomura International plc, RBC Europe Limited, SMBC Nikko Capital Markets Limited, Société Générale, The Toronto-Dominion Bank, UBS AG London Branch and UniCredit Bank AG.
<b>Size</b>	Up to £40,000,000,000 (or its equivalent in any other currencies) outstanding at any time. The Issuer may increase the amount of the Programme.
<b>Maturities</b>	Any maturity as indicated in the applicable Final Terms.
<b>Issue Price</b>	Notes will be issued at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes</b>	Each Tranche of Notes will initially be issued in the form of a temporary global Note, or, if so specified in the applicable Final Terms, a permanent global Note (which may or may not be in new global note form). A temporary global Note will be exchangeable, either for a permanent global Note or definitive Notes and a permanent global Note will be exchangeable for definitive Notes in certain circumstances.
<b>Terms of Notes</b>	<p>The following types of Note may be issued: Notes (i) bearing interest at a fixed rate or a floating rate or (ii) not bearing interest or (iii) being a combination of any of the foregoing.</p> <p>Interest periods, rates of interest and the amounts payable on redemption may differ depending on the Notes being issued. Such terms will be specified in the applicable Final Terms.</p>
<b>Fixed Rate Notes</b>	Fixed Rate Notes will bear interest at the fixed rate(s) of interest specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions.
<b>Reset Notes</b>	Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate or government security for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions.
<b>Floating Rate Notes</b>	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</p>

- (ii) by reference to GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR, EUR LIBOR, EURIBOR, BBSW, BKBM, SHIBOR, HIBOR, CNH HIBOR, SOR, SIBOR, TIBOR, CDOR, STIBOR, NIBOR, SOFR or SONIA,

in any such case as adjusted for any applicable margin specified in the applicable Final Terms.

Interest periods will be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Terms and Conditions. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

#### **Zero Coupon Notes**

Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest.

#### **Redemption**

The applicable Final Terms will specify the redemption amount and whether the relevant Notes can be redeemed prior to their stated maturity (other than for tax reasons or following an event of default) (i) at the option of the Issuer, (ii) in the case of Tier 2 Notes only, upon the occurrence of a Capital Disqualification Event and/or (iii) in the case of Ordinary Notes, upon the occurrence of a Loss Absorption Disqualification Event.

#### **Redemption for Tax Reasons**

The Issuer may, subject to Condition 5(j) or Condition 5(k), as applicable, redeem all, but not some only, of the Notes of any Series at the price set out in the applicable Final Terms together with any outstanding interest:

- (i) in the event that as a result of a change in law in the United Kingdom, it is obliged to pay additional amounts in respect of any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax; or
- (ii) upon the occurrence of certain other changes in the treatment of the relevant Notes for taxation purposes as described in Condition 5(b),

in each case provided that the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

#### **Capital Disqualification Event Redemption (only in respect of Tier 2 Notes)**

If at any time a Capital Disqualification Event occurs in relation to any Series of Tier 2 Notes, and the applicable Final Terms for the Tier 2 Notes of such Series specify that the Issuer has an option to redeem such Notes following the occurrence of a Capital Disqualification Event, the Issuer may, subject to Condition 5(j), redeem all, but not some only, of the Tier 2 Notes of such Series at the price set out in the applicable Final Terms together with any outstanding interest.

#### **Redemption at the Option of the Issuer**

If the applicable Final Terms for Notes of any Series specify that the Issuer has an option to redeem such Notes, the Issuer may, subject to Condition 5(j) or Condition 5(k), as applicable, opt to redeem all, or (if specified in the applicable Final Terms)

**Loss Absorption Disqualification  
Event Redemption (only in respect of  
Ordinary Notes)**

some only, of such Notes at the price set out in the applicable Final Terms together with any outstanding interest.

If at any time a Loss Absorption Disqualification Event occurs and is continuing in relation to any Series of Ordinary Notes, and the applicable Final Terms for the Ordinary Notes of such Series specify that the Issuer has an option to redeem such Notes following the occurrence of a Loss Absorption Disqualification Event, the Issuer may, subject to Condition 5(k), redeem all, but not some only, of the Notes of such Series at the price set out in the applicable Final Terms together with any outstanding interest.

**Denomination of Notes**

The Notes will be issued in such denominations as specified in the applicable Final Terms save that (i) the minimum denomination of Notes which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or its equivalent) and (ii) unless permitted by current laws and regulations, the minimum denomination of Notes which have a maturity of less than one year from their issue date shall be £100,000 (or its equivalent in any other currencies).

**Taxation**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within the United Kingdom unless required by law. If a deduction for or on account of such withholding tax is required by law, subject as provided in Condition 6, the Issuer will be required to pay such additional amounts (in the case of Tier 2 Notes, in respect of any payment of interest only (but not principal)) as will result in receipt by the holders of the sums which would have been receivable by them had no such withholding been required.

**Status of Ordinary Notes**

Ordinary Notes (as described in Condition 2(a)) will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and (save to the extent that laws affecting creditors' rights generally in a bankruptcy, winding up or administration may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

**Waiver of set-off and netting –  
Ordinary Notes**

Subject to applicable law, no holder of any Ordinary Notes or the Coupons relating thereto (if any) nor the Trustee may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Ordinary Notes or the Coupons relating thereto, and each Ordinary Noteholder or Ordinary Couponholder shall, by virtue of its subscription, purchase or holding of any Ordinary Note or Coupon, be deemed to have waived all such rights of set-off and netting.

**Status of Tier 2 Notes**

Tier 2 Notes (as described in Condition 2(b)) will constitute unsecured and subordinated obligations of the Issuer and the holders of Tier 2 Notes will, in the event of the Winding Up or

	<p>a Qualifying Procedure of the Issuer, be subordinated in the manner provided in the Trust Deed and as specified in Condition 2(b) to the claims of all Senior Creditors but shall rank at least <i>pari passu</i> with the claims of Parity Creditors and with the claims of holders of all other subordinated obligations of the Issuer which by law rank, or by their terms are expressed to rank <i>pari passu</i> with the Tier 2 Notes and/or Tier 2 Coupons and shall rank in priority to the claims of Junior Creditors, the claims of holders of all undated or perpetual, junior subordinated obligations of the Issuer and to the claims of holders of all classes of share capital of the Issuer.</p>
<b>Waiver of set-off and netting – Tier 2 Notes</b>	<p>Subject to applicable law, neither any Tier 2 Noteholder or Tier 2 Couponholder nor the Trustee may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 2 Notes or the Tier 2 Coupons and each Tier 2 Noteholder and Tier 2 Couponholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Note or Tier 2 Coupon, be deemed to have waived all such rights of set-off and netting.</p>
<b>Remedies for Non-Payment</b>	<p>The sole remedy against the Issuer available to the Trustee or any holder or Couponholder for recovery of amounts owing in respect of any payment of principal or interest in respect of any Notes, will be the institution of proceedings for the winding-up of the Issuer and/or proving in any winding-up of the Issuer.</p>
<b>Rating</b>	<p>Each Tranche of Notes may be rated or unrated.</p>
<b>Listing and admission to trading</b>	<p>Application has been made to admit the Notes (other than Exempt Notes) to be issued under the Programme to the Official List and to trading on the Market.</p> <p>In the case of Exempt Notes, the applicable Pricing Supplement will state whether or not the relevant Notes will be listed and/or admitted to trading.</p>
<b>Governing Law</b>	<p>The Notes, and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law, save that (i) the set-off and netting provisions of the Ordinary Notes and (ii) the set-off and netting and subordination provisions of the Tier 2 Notes, will be governed by Scots law.</p>
<b>Agreement with respect to the exercise of the UK Bail-in Power</b>	<p>The Terms and Conditions contain a consent by the Noteholders and the Trustee (on behalf of the Noteholders) to the exercise of the UK Bail-in Power by the Resolution Authority. No repayment or payment of Amounts Due on the Notes shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the United Kingdom and the European Union applicable to the Issuer and the Group.</p>

**Selling Restrictions**

See "Subscription and Sale" below.

*None of the Trust Deed, the Ordinary Notes and the Tier 2 Notes contains any negative pledge covenant by the Issuer and there is no cross default provision.*

## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer, which, in turn, could cause the Group's future results to be materially different from expected results and could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Group's businesses face. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons (including risks of which they are not currently aware) and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. All of these factors are contingencies which may or may not occur. Investors should note that they bear the Issuer's solvency risk. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined under the heading "Terms and Conditions of the Ordinary and Tier 2 Notes" below shall have the same meanings in these risk factors.*

### **A. Risk Factors relating to the Issuer**

Prospective investors should consider the section entitled "Risk Factors" at pages 281 to 295 in the 2019 Annual Report and Accounts of the Group and the section entitled "Risk Factors" on pages 29 to 31 in the Group Q1 2020 IMS, each as referred to in, and incorporated by reference into, this Prospectus as set out in "Documents Incorporated by Reference" in this Prospectus.

### **B. Risk Factors relating to the Notes**

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

#### **1. Risks related to the structure of a particular issue of Notes**

Notes issued under the Programme may be structured in such a way that means they have features which contain particular risks for potential investors. Set out below is a description of certain such features:

*The Issuer's obligations under Tier 2 Notes are subordinated*

The obligations of the Issuer under Tier 2 Notes will be unsecured and subordinated and, on a winding-up, administration or liquidation, will rank junior in priority of payment to the claims of Senior Creditors. "**Senior Creditors**" means, in respect of the Issuer, the creditors of the Issuer whose claims are admitted to proof in the winding up, administration or other insolvency procedure of the Issuer and (i) who are unsubordinated creditors of the Issuer, (ii) who are creditors in respect of any secondary non-preferential debts, or (iii) who are subordinated creditors of the Issuer (whether in the event of a winding up or administration of the Issuer or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Tier 2 Noteholders and/or Tier 2 Couponholders or (y) those who are Parity Creditors or Junior Creditors.

The Banks and Building Societies (Priorities on Insolvency) Order 2018 (the "**Order**") splits a relevant financial institution's non-preferential debts (including those of the Issuer) into classes, and provides that ordinary non-



preferential debts (such as Ordinary Notes) will rank ahead of secondary non-preferential debts and tertiary non-preferential debts. Tier 2 Notes constitute tertiary non-preferential debts under the terms of the Order, and therefore both ordinary and secondary non-preferential debts will rank ahead of claims in respect of the Tier 2 Notes.

Although Tier 2 Notes may pay a higher rate of interest than comparable Notes which are not so subordinated, there is a real risk that an investor in such Tier 2 Notes will lose all or some of his investment should the Issuer become insolvent.

*Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that the Notes will be redeemed early, the market value of the Notes may be adversely affected.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Tier 2 Notes, Redemption*

The Issuer may, subject as described below, redeem all, but not some only, of the Tier 2 Notes of any Series at the price set out in the applicable Final Terms together with any outstanding interest:

- (i) in the event that as a result of a change in law in the United Kingdom, it is obliged to pay additional amounts in respect of any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax; or
- (ii) upon the occurrence of certain other changes in the treatment of the relevant Notes for taxation purposes, in each case, provided that the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

If the applicable Final Terms for Tier 2 Notes of any Series specify that the Issuer has an option to redeem such Notes, the Issuer may, subject as described below, opt to redeem all, or (if specified in the applicable Final Terms) some only, of such Tier 2 Notes at the price set out in the applicable Final Terms together with any outstanding interest.

If at any time a Capital Disqualification Event occurs in relation to any Series of Tier 2 Notes, and the applicable Final Terms for the Tier 2 Notes of such Series specify that the Issuer has an option to redeem such Notes in such circumstances, the Issuer may, subject as described below, redeem all, but not some only, of the Tier 2 Notes of such Series at the price set out in the applicable Final Terms together with any outstanding interest.

Tier 2 Notes may be purchased, or redeemed prior to the relevant Maturity Date by the Issuer pursuant to Condition 5(b) (*Redemption for Tax Reasons*), Condition 5(c) (*Redemption Due to Capital Disqualification Event*) or Condition 5(d) (*Call Option – Redemption at the Option of the Issuer*), in each case, provided that (among other things, and except to the extent that the Capital Regulations no longer so require) the Issuer has given prior notice to the PRA and the PRA has granted permission for the Issuer to make such redemption or repurchase and any other requirements of the Capital Regulations and/or the PRA applicable to such purchases or redemptions at the time have been complied with by the Issuer.

If the Tier 2 Notes are to be so redeemed or there is a perception that the Tier 2 Notes may be so redeemed, this may impact the market price of the Tier 2 Notes. In addition, there can be no assurance that Noteholders will

be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Tier 2 Notes.

#### *Ordinary Notes, Redemption*

The Issuer may, subject as described below, opt to redeem all, but not some only, of the Ordinary Notes of any Series at the price set out in the applicable Final Terms together with any outstanding interest for the tax reasons described in (i) or (ii) above (and, in each case, subject to the proviso) of "Tier 2 Notes, Redemption".

If the applicable Final Terms for Ordinary Notes of any Series specify that the Issuer has an option to redeem such Notes, the Issuer may opt to redeem all, or (if specified in the applicable Final Terms) some only, of such Ordinary Notes at the price set out in the applicable Final Terms together with any outstanding interest. In particular, if the applicable Final Terms for Ordinary Notes of any Series specify that the Issuer has an option to redeem such Notes at a time when the remaining contractual maturity is one year or less, where such Notes count towards its and/or the Regulatory Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, it is possible that the Issuer may elect to redeem such Notes pursuant to such option, as the Notes will, as a result of the remaining contractual maturity being less than the period prescribed by the applicable eligibility criteria under the current Loss Absorption Regulations, be expected to cease to so count.

If at any time a Loss Absorption Disqualification Event occurs and is continuing in relation to any Series of Ordinary Notes, and the applicable Final Terms for the Ordinary Notes of such Series specify that the Issuer has an option to redeem such Ordinary Notes, the Issuer may, subject as described below, redeem all, but not some only, of the Ordinary Notes of such Series at the price set out in the applicable Final Terms together with any outstanding interest.

Ordinary Notes may be purchased, or redeemed prior to the relevant Maturity Date by the Issuer pursuant to Condition 5(b) (*Redemption for Tax Reasons*), Condition 5(d) (*Call Option – Redemption at the Option of the Issuer*) or Condition 5(e) (*Redemption Due to Loss Absorption Disqualification Event*), in each case, provided that (among other things, and except to the extent that the Loss Absorption Regulations no longer so require) the Issuer has given prior notice to the relevant resolution authority and such resolution authority has granted permission for the Issuer to make such purchase or redemption and any other requirements of the Loss Absorption Regulations and/or the relevant resolution authority applicable to such purchases or redemptions at the time have been complied with by the Issuer.

If such Ordinary Notes are to be so redeemed or there is a perception that the Ordinary Notes may be so redeemed, this may impact the market price of the Ordinary Notes. In addition, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in such Ordinary Notes.

#### *Risks related to Notes which are linked to benchmarks*

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU and the UK and prevents certain uses by EU or UK supervised entities of "benchmarks" of unauthorised administrators. The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes of certain benchmarks.

As an example of such benchmark reforms, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

In November 2014, the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee ("**ARRC**") to identify a set of alternative reference interest rates for financial instruments and contracts referencing US Dollar LIBOR. On 22 June 2017, the ARRC announced Secured Overnight Financing Rate ("**SOFR**") as its recommended alternative reference rate to US Dollar LIBOR.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions (as further described in Condition 3(f), in the case of SONIA, Condition 3(c)(v) and, in the case of SOFR where "ARRC Fallbacks" is specified in the applicable Final Terms, Condition 3(g)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes or Reset Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Terms and Conditions provide for certain fallback arrangements to be operated by the Issuer or an Independent Adviser in the event that a successor rate exists or a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body, industry standards in international debt capital markets transactions or as otherwise determined by the Independent Adviser or the Issuer. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. Furthermore, the relevant fallback provisions will not operate, which may result in the effective application of a fixed rate, if the operation of such fallback provisions could reasonably be expected to prejudice the qualification of Ordinary Notes as eligible liabilities or loss absorbing capacity instruments in accordance with the Loss Absorption Regulations or Tier 2 Notes as Tier 2 Capital in accordance with the Capital Regulations (as the case may be).

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

*The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes*

Investors should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as alternatives to Sterling or U.S. Dollar LIBOR. In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term). The development of SONIA and SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SONIA and SOFR as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA and SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA or SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA or SOFR.

*SONIA and SOFR differ from LIBOR in a number of material respects and have a limited history*

SONIA and SOFR differ from LIBOR in a number of material respects, including that SONIA and SOFR are backwards-looking, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA or SOFR may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA (in its current form) and SOFR began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of SONIA and SOFR during the term of the Notes may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable under Condition 8, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

*The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR*

The Bank of England or The New York Federal Reserve (or a successor), as administrator of SONIA or SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

*Notes with returns that are calculated with reference to a variable*

Notes may have returns that are variable as a result of the method by which the coupon is calculated or of the way interest is paid. The most basic example of this are Notes where the interest rate is floating, and therefore subject to changes as a result of movements in the prevailing interest rate. In these cases, the success or otherwise of the variable can impact significantly on the return under the Notes as well as the ability to trade the Notes on the secondary market. It should be expected that the value of the Notes and the secondary market for the Notes may decrease if the performance of the variable is less than anticipated.

These risks depend on a number of inter-related factors, including economic, financial and political events over which the Issuer has no control.

*Trading different types of Notes*

It should be assumed that the market for trading different types of Notes varies even though they are issued under the same Programme. By way of example, a Zero Coupon Note may be more difficult to trade and its price more variable than a Fixed Interest Rate Note. It may also be more difficult to trade a Zero Coupon Note that has just been issued than a Zero Coupon Note nearer its redemption, as returns on Zero Coupon Notes will be paid to investors only on redemption.

*Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower return for investors. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on other Notes.

*The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes*

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a **"Subsequent Reset Rate"**). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

#### *No limitation on issuing senior or pari passu securities*

There is no restriction on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, any other issue of Tier 2 Notes of the Issuer. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding up, administration or other insolvency procedure of the Issuer.

*Notes issued with a specific use of proceeds, such as Green, Social or Sustainability Bonds may not meet investor expectations or requirements*

The applicable Final Terms may provide that the Issuer will use an amount equal to the net proceeds of the offer (as at the date of issuance of such Notes) to allocate an equivalent amount of funding specifically to businesses and projects that, in the Issuer's sole judgement and discretion, satisfy certain eligibility requirements that purport to promote green initiatives, sustainable goals and other environmental and/or social purposes (**"Eligible Projects"**) (each a **"Green, Social or Sustainability Bond"**).

If the use of proceeds of the Notes is a factor in a prospective investor's decision to invest in the Notes, they should consider the disclosure in "Use of Proceeds" below and in the applicable Final Terms and consult with their legal or other advisers before making an investment in the Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Bond together with any other investigation such investor deems necessary.

In particular no assurance is given by the Issuer or any of the Dealers that the use of such proceeds for any Eligible Projects will meet the requirements set out in the Framework (as defined below), whether in whole or in part, or any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond). No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such 'green', 'social' or 'sustainable' or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called EU Taxonomy), or that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond will meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance

objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

Furthermore, there is no contractual obligation to allocate the proceeds of the Notes to finance eligible businesses and projects or to provide annual progress reports as described in "Use of Proceeds" below and/or and in the applicable Final Terms. The Issuer's failure to allocate the proceeds of any particular Green, Social or Sustainability Bond to finance an Eligible Project or to provide annual progress reports, the failure of any of the Eligible Projects to meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives, or the failure of an independent external review provider with environmental or social expertise to issue a second party opinion on the allocation of the bond proceeds may affect the value of any particular Green, Social or Sustainability Bond and/or have adverse consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets, however, it will not: (i) give rise to any claim by a Noteholder against the Issuer; (ii) constitute an Event of Default (as defined in the Trust Deed) or breach of contract with respect to any particular Green, Social or Sustainability Bond; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes; or (iv) affect the regulatory qualification of such Notes (as the case may be) as own funds and eligible liabilities, loss absorbing capacity instruments or Tier 2 Capital (as applicable).

The net proceeds of any particular Green, Social or Sustainability Bond (as at the date of issuance of such Green, Social or Sustainability Bond) which, from time to time, are not allocated as funding for Eligible Projects are intended by the Issuer to be held pending allocation as funding towards the funding of Eligible Projects. Neither the Issuer nor any of the Dealers undertakes to ensure that there is at all times a sufficient aggregate amount of Eligible Projects to allow for allocation of the net proceeds of the issue of such Green, Social or Sustainability Bond in full.

No assurance or representation is given by the Issuer, any of the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion (as defined below) or any other opinion or certification of any third party (whether or not solicited by the Issuer or any affiliate) which may be made available in connection with any particular Green, Social or Sustainability Bond and in particular whether any Eligible Projects fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any of the Dealers or any other person to enter into any particular Green, Social or Sustainability Bond. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green, Social or Sustainability Bond. Currently, the providers of such opinions and certifications (including the provider of the Second Party Opinion) are not subject to any specific regulatory or other regime or oversight. In particular, no assurance or representation is or can be given by the Issuer or any of the Dealers to investors that any such opinion or certification will reflect any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The Noteholders have no recourse against the Issuer, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification. A withdrawal of any such opinion or certification may affect the value of any Green, Social or Sustainability Bond, may result in the delisting of such Green, Social or Sustainability Bond from any dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

If any particular Green, Social or Sustainability Bond is at any time listed or admitted to trading on any dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, any of the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such

investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any particular Green, Social or Sustainability Bond or, if obtained, that any such listing or admission to trading will be maintained during the life of any particular Green, Social or Sustainability Bond.

## **2. Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

### *The Notes may be written down or converted into ordinary shares*

There are substantial powers to resolve and stabilise UK incorporated financial institutions under the Banking Act. The special resolution regime consists of five stabilisation options and two insolvency and administration procedures applicable to UK banks which may be commenced by the relevant resolution authority. The stabilisation options provide for:

- (i) private sector transfer of all or part of the business of the relevant entity;
- (ii) transfer of all or part of the business of the relevant entity to a "bridge bank" established by the Bank of England;
- (iii) transfer to an asset management vehicle;
- (iv) the bail-in option; and
- (v) temporary public ownership (nationalisation) of the relevant entity.

Each of these stabilisation options is achieved through the exercise of one or more "stabilisation powers", which include: (i) the power to make share transfer orders pursuant to which all or some of the securities issued by a UK bank may be transferred to a commercial purchaser, a bridge bank or the UK government; (ii) the resolution instrument power which may make provision for bail-in; (iii) the power to transfer all or some of the property, rights and liabilities of a UK bank to a commercial purchaser or Bank of England entity; and (iv) the third country instrument powers that recognise the effect of similar special resolution action taken under the law of a third country. A share transfer order can extend to a wide range of securities, including shares and bonds issued by a UK bank or its holding company and warrants for such shares and bonds and could, therefore, apply to the Notes. In addition, the Banking Act grants powers to modify contractual arrangements in certain circumstances (including a variation of the terms of any securities), powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant Authority to disapply or modify laws (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively. See further (i) *"The RBS Group may become subject to the application of UK statutory stabilisation or resolution powers which may result in, among other actions, the cancellation, transfer or dilution of ordinary shares, or the write-down or conversion of certain other of the RBS Group's securities."* on pages 291 to 292 of the 2019 Annual Report and Accounts of the Group and (ii) *"The RBS Group may not meet the prudential regulatory requirements for capital and MREL, or manage its capital effectively, which could trigger the execution of certain management actions or recovery options."* on page 289 of the 2019 Annual Report and Accounts of the Group, each as referred to in, and incorporated by reference into, this Prospectus. The resolution authorities will likely allow the use of financial public support only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool and/or the write-down and/or conversion powers.



The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as guaranteed bank deposits and covered bonds. Where the relevant statutory conditions for use of the bail-in tool have been met, the relevant resolution authority would be expected to exercise these powers without notice to, or the consent of, the Noteholders. Any such exercise of the bail-in tool in respect of the Issuer and the Notes may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Notes.

The Banking Act specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD and otherwise respecting the hierarchy of claims in an ordinary insolvency.

The bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

In addition, the Banking Act requires the relevant resolution authority to permanently write-down, or convert into equity, tier 1 capital instruments and tier 2 capital instruments (such as the Tier 2 Notes) at the point of non-viability of the relevant entity or the Group and before, or together with, the exercise of any stabilisation option (the "**PoNV Powers**") (except in the case where the bail-in tool is to be utilised for other liabilities, in which case such capital instruments would be written down or converted into equity pursuant to the exercise of the bail-in tool, as described above, rather than the mandatory write-down and conversion power applicable only to capital instruments). This power will be extended to include internal eligible liabilities (in which case, it may be used independently of, or in combination with, a resolution power), once Directive (EU) 2019/879 is implemented (the national implementation deadline is 28 December 2020).

Tier 2 Noteholders may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such holders), which may result in such holders losing some or all of their investment. The "no creditor worse off" safeguard would not apply in relation to an application of such powers to capital instruments (such as the Tier 2 Notes) in circumstances where resolution powers are not also exercised.

The determination that all or part of the principal amount of the Notes will be subject to the exercise of the bail-in tool or PoNV Powers may be unpredictable and may be outside of the Issuer's control. Accordingly, trading behaviour in respect of the Notes which are subject to such write-down or conversion powers is not necessarily expected to follow trading behaviour associated with other types of securities. The exercise of the bail-in tool or PoNV Powers, as the case may be, in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

*Noteholders agree to be bound by the exercise of any UK Bail-in Power by the Resolution Authority*

In recognition of the resolution powers granted by law to the Resolution Authority, by its acquisition of Notes, each Noteholder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of any UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, agrees to be bound by, and consents, to the exercise of any UK Bail-in Power by the Resolution Authority which may result in (i) the reduction of all, or a portion, of the Amounts Due, (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholders of such shares, securities or obligations) (iii) the cancellation of the Notes and/or (iv) the amendment or alteration of the maturity of the Notes, or amendment of the amount of interest

due on the Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period, in each case, which UK Bail-in Power may be exercised by means of amendment, modification or variation of the terms of the Notes solely to give effect to the exercise by the Resolution Authority of such UK Bail-in Power. Each Noteholder further acknowledges and agrees that the rights of the Noteholders are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any UK Bail-in Power by the Resolution Authority.

Accordingly, the UK Bail-in Power may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the UK Bail-in Power without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Terms and Conditions, the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes is not an Event of Default (as defined in the Trust Deed) or a default for any purpose.

#### *Remedies for Non-Payment*

The sole remedy against the Issuer available to the Trustee or any Noteholder or Couponholder for recovery of amounts owing in respect of or arising under any Notes, will be the institution of proceedings for the winding up of the Issuer and/or proving in any Winding Up or Qualifying Procedure of the Issuer. As such, the remedies available to holders of these Notes are limited, which may make enforcement more difficult.

#### *Waiver of set-off and netting*

Holders of Notes and Coupons relating thereto (if any) will be deemed to have waived any right of set-off and netting in relation to such Notes, subject to applicable law. Therefore, such holders will not be entitled (subject to applicable law) to set-off or net the Issuer's obligations under such Notes against obligations owed by them to the Issuer.

#### *Notes will be obligations exclusively of the Issuer*

The Notes are obligations exclusively of the Issuer and are not guaranteed by any other person. The Issuer in particular is a holding company and its principal source of income is from operating subsidiaries which hold the principal assets of the Group. As a separate legal entity, the Issuer relies on, among other things, interest payments, dividends, distributions and other advances from its subsidiaries in order to be able to meet its obligations to Noteholders. The ability of the Issuer's subsidiaries and affiliates to pay dividends could be restricted by changes in regulation, contractual restrictions, exchange controls and other requirements.

In addition, as a holder of ordinary shares in its subsidiaries, the Issuer's right to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders (save to the extent that the Issuer has other claims that rank ahead of or *pari passu* with such claims of the subsidiary's creditors and/or preference shareholders). Therefore, if any subsidiary of the Issuer were to be wound up, liquidated or dissolved (i) the Noteholders would have no right to proceed against the assets of such subsidiary and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of such subsidiary's creditors and/or preference shareholders which rank ahead of the Issuer (in respect of its holding of ordinary shares of such subsidiary) before the Issuer would be entitled to receive any distributions in respect of such subsidiary's ordinary shares. Similarly, if any subsidiary of the Issuer was subject to resolution proceedings (i) the Noteholders would have no direct recourse against such subsidiary and (ii) the Noteholders may also be exposed to losses pursuant to the exercise by the relevant resolution authority of its powers.

The Issuer has absolute discretion as to how it makes its investments in or advances funds to its subsidiaries, including the proceeds of issuances of debt securities such as the Notes, and as to how it may structure existing investments and funding in the future. The ranking of the Issuer's claims in respect of such investments and funding in the event of the liquidation of a subsidiary, and their treatment in resolution, will depend in part on the form and structure of any such investments but will generally be subordinated to any depositors of such

subsidiary. The purposes of such investments and funding may include, among other things, the provision of different amounts or types of capital or funding to particular subsidiaries, including for the purposes of meeting regulatory requirements, such as capital adequacy requirements and minimum requirements for own funds and eligible liabilities ("MREL") in respect of such subsidiaries, which in most cases will require the Issuer's claims to rank below those of ordinary unsecured creditors of the relevant subsidiary.

In addition, the terms of some loans or investments made by the Issuer in capital instruments and MREL instruments issued by its subsidiaries may contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of such subsidiary, would result in a write-down of the claim or a change in the ranking and type of claim that the Issuer has in respect of such loan or investment. Such loans to and investments in the Issuer's subsidiaries may also be subject to the exercise of the PoNV Powers or the bail-in power by the relevant resolution authority or such subsidiaries of the Issuer may otherwise be subject to resolution proceedings. Any such actions could materially impair the Issuer's ability to receive payment from an affected subsidiary and could therefore affect its ability to make payments on the Notes.

#### *Modification, waivers and substitution*

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions also provide that the Trustee may, without the consent of the Noteholders, (i) agree to any modification of, or waiver or authorisation of any breach or proposed breach of, any of the relevant Terms and Conditions, (ii) agree to any modifications to the Trust Deed, Agency Agreement and the relevant Terms and Conditions as may be required in order to give effect to Condition 3(f) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes and/or any Benchmark Replacement Conforming Changes in accordance with Condition 3(g), (iii) determine without the consent of the Noteholders that any Event of Default (as defined in the Trust Deed) or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such or (iv) agree to the substitution of another entity as principal debtor under any Notes in place of the Issuer.

As a result of the above, actions may be taken with respect to a Series of Notes with which some holders of such Notes may not agree.

#### *Change of law*

Notes will be governed by English law, except that (i) the set-off and netting provisions of the Ordinary Notes and (ii) the set-off and netting and subordination provisions of Tier 2 Notes, will be governed by Scots law. No assurance can be given as to the impact of any possible judicial decision or change to English or Scots law or administrative practice after the date of this Prospectus (and any supplement to it and/or applicable Final Terms for the relevant Notes).

Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In particular, any change in law or regulation that triggers any of the events specified in Condition 5(b)(i) to (iv), a Capital Disqualification Event or a Loss Absorption Disqualification Event would entitle the Issuer, at its option (subject to the relevant conditions to redemption), to redeem the Notes, as applicable, in whole but not in part, as provided under Condition 5(b) (*Redemption for Tax Reasons*), Condition 5(c) (*Redemption Due to Capital Disqualification Event*) and Condition 5(e) (*Redemption Due to Loss Absorption Disqualification Event*).

In addition, the future regulatory framework applicable to the Group following the UK's withdrawal from the European Union is uncertain and, until the UK has withdrawn from the European Union and HM Treasury and

the PRA have finalised the applicable rules, it is uncertain as to how these changes will impact the Group and powers available to the relevant resolution authority in respect of the Notes. See further "*Prevailing uncertainty regarding the terms of the UK's withdrawal from the European Union has adversely affected and will continue to affect the RBS Group.*" on pages 284 and 285 of the 2019 Annual Report and Accounts of the Group, as referred to in, and incorporated by reference into, this Prospectus.

*Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*Potential conflicts of interest*

Where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon settlement of the Notes. The Terms and Conditions state that National Westminster Bank plc, an affiliate of the Issuer, will act as Calculation Agent unless another person is specified as the Calculation Agent in the applicable Final Terms.

**3. Risks related to Notes denominated in CNY**

Set out below is a description of the principal risks which are relevant to an investor in Notes denominated in CNY:

*CNY is not completely freely convertible which may adversely affect the liquidity of the Notes*

CNY is not completely freely convertible at present. The PRC government continues to regulate conversion between CNY and foreign currencies, including the Hong Kong dollar. However, there has been significant reduction in control by the PRC government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of CNY into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of CNY into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("PBoC") has implemented policies improving accessibility to CNY to settle cross-border transactions in the past, there is no assurance that the PRC government will liberalise control over cross-border remittance of CNY in the future, that the schemes for CNY cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of CNY into or out of the PRC. Despite the CNY internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of CNY. In the event that funds cannot be repatriated out of the PRC in CNY, this may affect the overall availability of

CNY outside the PRC and the ability of the Issuer to source CNY to finance its obligations under Notes denominated in CNY.

*There is only limited availability of CNY outside the PRC*

As a result of the restrictions by the PRC government on cross-border CNY fund flows, the availability of CNY outside the PRC is limited. While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of CNY business with financial institutions (the "**CNY Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border CNY settlement and is further in the process of establishing CNY clearing and settlement mechanisms in several other jurisdictions, the current size of CNY denominated financial assets outside the PRC is limited.

Furthermore, CNY business participating banks do not have direct CNY liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of CNY. The CNY Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient CNY through the above channels, they will need to source CNY from outside the PRC to square such open positions.

Although it is expected that the offshore CNY market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of CNY outside the PRC. The limited availability of CNY outside the PRC may affect the liquidity of the CNY Notes. To the extent the Issuer is required to source CNY in the offshore market to service its Notes denominated in CNY, there is no assurance that the Issuer will be able to source such CNY on satisfactory terms, if at all.

*CNY currency risk*

Except in limited circumstances, all payments of CNY under the Notes to an investor will be made solely by transfer to a CNY bank account maintained with a Hong Kong bank in accordance with the prevailing rules and regulations and in accordance with the Terms and Conditions. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC). In addition, there can be no assurance that access to CNY for the purposes of making payments under the Notes by the Issuer or generally may remain or will not become restricted. If it becomes impossible to convert CNY from/to another freely convertible currency, or transfer CNY between accounts in Hong Kong, or the general CNY exchange market in Hong Kong becomes illiquid, or any CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, any payment of CNY under the Notes may be delayed or the Issuer may make such payments in another currency selected by the Issuer using an exchange rate determined by the Calculation Agent, or the Issuer may need to redeem the Notes by making payment in another currency.

*CNY exchange rate risk*

The value of CNY against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of Renminbi against foreign currencies. All payments of interest and principal will be made in CNY in respect of the Notes denominated in CNY unless otherwise specified. As a result, the value of such payments in CNY may vary with the changes in the prevailing exchange rates in the marketplace. If the value of CNY depreciates against another foreign currency, the value of the investment made by a holder of Notes denominated in CNY in that foreign currency will decline.

### *Interest rate risk*

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for CNY in markets outside the PRC may significantly deviate from the interest rate for CNY in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Notes denominated in CNY may carry a fixed interest rate, the trading price of the Notes denominated in CNY will consequently vary with the fluctuations in the CNY interest rates. If holders of the Notes denominated in CNY propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

## **C. Risk Factors relating to the market generally**

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk, which may be relevant to an investment in any Notes:

### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above that may affect the value of the Notes and as such should not be relied upon by investors when making an investment decision. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Furthermore, as a result of the CRA Regulation, if the status of the rating agency rating relating to the Notes changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been (1) previously published and (2) approved by the FCA or filed with it, shall be deemed to be incorporated in, and form part of, this Prospectus:

- (a) the sections "Terms and Conditions of the Ordinary, Tier 2 and Tier 3 Notes" from the previous base prospectuses relating to the Programme dated 18 June 2007, 16 June 2009, 10 June 2010, 7 June 2011 and 24 February 2012, respectively;
- (b) the sections "Terms and Conditions of the Ordinary and Tier 2 Notes" from the previous base prospectuses relating to the Programme dated 22 March 2013, 10 March 2014, 2 April 2015, 7 March 2016, 16 December 2016, 7 December 2017, 14 December 2018 and 21 November 2019, respectively;
- (c) the supplement dated 5 May 2020 to the base prospectus relating to the Programme dated 21 November 2019 and the annex to the supplement dated 3 August 2018 to the base prospectus relating to the Programme dated 7 December 2017;
- (d) the unaudited Q3 2020 Interim Management Statement of the Group (excluding the row titled "*Pro forma CET 1 ratio, pre dividend accrual*" in, and footnotes 4 and 5 to, the table under the heading "*Balance sheet key metrics and ratios*" on page 3) (the "**Group Q3 2020 IMS**"), which was published via the Regulatory News Service of the London Stock Exchange plc (the "**RNS**") on 30 October 2020;
- (e) the unaudited Interim Results 2020 of the Group (excluding the row titled "*Pro forma CET 1 ratio, pre dividend accrual*" in, and footnote 5 to, the table under the heading "*Balance sheet related key metrics and ratios*" on page 4) (the "**Group Interim Results 2020**"), which was published via the RNS on 31 July 2020;
- (f) the unaudited Q1 2020 Interim Management Statement of the Group (excluding the row titled "*Pro forma CET 1 ratio, pre dividend accrual*" in, and footnote 4 to, the table under the heading "*Balance sheet key metrics and ratios*" on page 4) (the "**Group Q1 2020 IMS**"), which was published via the RNS on 1 May 2020;
- (g) the following sections of the 2019 annual report and accounts of the Group (the "**2019 Annual Report and Accounts of the Group**"), which were published via the RNS on 14 February 2020:
  - (i) Strategic report on pages 2 to 49:
    - 2019 highlights and our future strategy on pages 3 to 15;
    - How we do business on pages 16 to 27;
    - Building a more sustainable bank on pages 28 to 41;
    - Risk Management on pages 42 to 44; and
    - Governance and compliance on pages 45 to 49;
  - (ii) Business Review on pages 50 to 61:
    - Presentation of information on page 50;
    - Segmental reporting on page 50;
    - Financial summary on pages 51 to 55; and
    - Segment performance on pages 56 to 61;
  - (iii) Governance on pages 62 to 111;

- Our Board on pages 62 to 63;
  - Corporate governance on pages 64 to 67;
  - Report of the Group Nominations and Governance Committee on pages 68 to 69;
  - Report of the Group Audit Committee on pages 70 to 73;
  - Report of the Group Board Risk Committee on pages 74 to 76;
  - Report of the Group Sustainable Banking Committee on page 77;
  - Report of the Technology and Innovation Committee on page 78;
  - Directors' remuneration report on pages 79 to 105;
  - Compliance report on pages 106 to 107;
  - Report of the directors on pages 108 to 110; and
  - Statement of directors' responsibilities on page 111;
- (iv) Capital and risk management on pages 112 to 189:
- Presentation of information on page 112;
  - Risk management framework on pages 112 to 119;
  - Capital, liquidity and funding risk on pages 120 to 131;
  - Credit risk on pages 132 to 173;
  - Market risk on pages 174 to 184;
  - Pension risk on page 185;
  - Compliance & conduct risk on pages 185 to 186;
  - Financial crime on page 186;
  - Climate-related financial risk on pages 186 to 187;
  - Operational risk on pages 187 to 188;
  - Model risk on page 189; and
  - Reputational risk on page 189;
- (v) Financial Statements on pages 190 to 276:
- Independent auditor's report on pages 191 to 201;
  - Consolidated income statement on page 202;
  - Consolidated statement of comprehensive income on page 203;
  - Consolidated balance sheet on page 204;
  - Consolidated statement of changes in equity on pages 205 to 206;
  - Consolidated cash flow statement on page 207;
  - Accounting policies on pages 208 to 212;
  - Notes on the consolidated accounts on pages 213 to 263; and



- Parent company financial statements and notes on pages 264 to 276;
  - (vi) Non-IFRS financial measures on pages 277 to 280;
  - (vii) Risk Factors on pages 281 to 295;
  - (viii) Material contracts on pages 296 to 297;
  - (ix) Shareholder information on pages 298 to 299; and
  - (x) Forward looking statements on page 300;
- (h) the following sections of the 2018 annual report and accounts of the Group (the "**2018 Annual Report and Accounts of the Group**"), which were published via the RNS on 15 February 2019:
- (i) Independent auditor's report on pages 166 to 175;
  - (ii) Consolidated income statement on page 176;
  - (iii) Consolidated statement of comprehensive income on page 177;
  - (iv) Consolidated balance sheet on page 178;
  - (v) Consolidated statement of changes in equity on pages 179 to 180;
  - (vi) Consolidated cash flow statement on page 181;
  - (vii) Accounting policies on pages 182 to 186;
  - (viii) Notes on the consolidated accounts on pages 187 to 238; and
  - (ix) Parent company financial statements and notes on pages 239 to 252;
- (i) the announcement entitled "NatWest Group plc – Directorate Change", which was published via the RNS on 31 July 2020;
- (j) the announcement entitled "The Royal Bank of Scotland Group plc changes name to NatWest Group plc", which was published via the RNS on 22 July 2020;
- (k) the announcement entitled "The Royal Bank of Scotland Group plc – RBS and NatWest Markets announce appointments", which was published via the RNS on 11 June 2020;
- (l) the announcement entitled "The Royal Bank of Scotland Group plc – Response to Covid-19", which was published via the RNS on 1 April 2020; and
- (m) the announcement entitled "The Royal Bank of Scotland Group plc – Directorate Changes", which was published via the RNS on 17 March 2020.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus, except where such information or other documents are specifically incorporated by reference into this Prospectus.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the information is included elsewhere in this Prospectus.

References to the "**RBS Group**" in the above documents and in any cross references to the above documents in this Prospectus should be read as references to the Group.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the information which is incorporated herein by reference. Written or oral requests for such information should be directed to NatWest Group at its principal office set out on page 124 of this Prospectus.

For at least ten years from the date of this Prospectus, a copy of any of the information which is incorporated by reference in this Prospectus can be obtained from the website of NatWest Group at <https://investors.natwestgroup.com/regulatory-news/company-announcements> and from the London Stock Exchange plc's website at <https://www.londonstockexchange.com/news?tab=news-explorer&period=daily&headlinetypes=1,2>.

## **SUPPLEMENTAL PROSPECTUS**

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new prospectus in accordance with the Prospectus Regulation for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") that it will comply with Article 23 of the Prospectus Regulation.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

## FORM OF THE NOTES

The Notes of each Tranche will be in bearer form. Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act ("**Regulation S**").

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global Note or, if so specified in the applicable Final Terms, a permanent global Note which, in either case, will, (i) if the global Notes are to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; (ii) if the global Notes are to be issued in CGN form, be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg; and (iii) if the global Notes are to be issued in respect of CMU Notes, be delivered on or prior to the original issue date of the Tranche to the sub-custodian for the CMU Service. Delivering the global Notes in NGN form to the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria and, as at the date of this Prospectus, pursuant to the additional eligibility criteria set out in Article 81a(3) of Guideline (EU) 2015/510 (as amended), the Notes do not satisfy the Eurosystem eligibility criteria. Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is issued in CGN form) outside the United States and its possessions only to the extent that certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations (in the form referred to in the temporary global Note) has been received by (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) the CMU Lodging and Paying Agent. See the description of "CMU Service" in "General Information" for further details of the process for certification of non-U.S. beneficial ownership in relation to CMU Notes.

If the global Note is issued in CGN form, upon the initial deposit of a global Note with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the global Note is issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. If the global Note is issued in respect of CMU Notes, upon initial lodgement of a global Note with a sub-custodian of the CMU Service, the CMU Service will credit the account maintained by each initial purchaser with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing systems shall be conclusive evidence of the nominal amount of Notes represented by the global Note and a statement issued by a clearing system at any time shall be conclusive evidence of the records of such clearing system at that time.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which the temporary global Note is issued, interests in the temporary global Note will be exchangeable either for (a) interests in a permanent global Note without Coupons or Talons or (b) for definitive Notes (where the applicable Final Terms so permit), in each case, against certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations in accordance with the terms set out in the temporary global Note, unless such certification has already been given as described in the last sentence of the first paragraph above. The holder of a temporary global Note will not be entitled to receive any payment of interest or principal due on or after the Exchange Date.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Ordinary and Tier 2 Notes" below), in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent (each as so defined) shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code, ISIN and/or, in the case of CMU Notes only, a CMU instrument number (as the case may be) which are different from the common code, ISIN and/or CMU instrument number (as the case may be) assigned to Notes of any other Tranche of the same Series and shall remain different until at least 40 days after the completion of the distribution of the Notes of such further

Tranche as certified by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent to the relevant Dealer(s). Payments of principal and interest (if any) on a permanent global Note will be made, in the case of Notes other than CMU Notes, through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the permanent global Note is in CGN form) or, in the case of CMU Notes, in accordance with the rules of the CMU Service, in any case outside the United States and without any requirement for certification. Where the applicable Final Terms so permit, a permanent global Note will be exchangeable in whole or (subject to the Notes which continue to be represented by the permanent global Note being regarded by, in the case of Notes other than CMU Notes, Euroclear and Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service as fungible with the definitive Notes issued in partial exchange for such permanent global Note) in part, for security-printed definitive Notes with, where applicable, Coupons and Talons attached, either (a) on 60 days' notice given at any time, from (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent (acting on the instructions of any holder of an interest in such permanent global Note given through the CMU Service in accordance with its rules), in any case as described therein or (b) only upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means:

- (A) in the case of issues of Notes which have denominations of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, as specified in the applicable Final Terms, (i) that an Event of Default (as defined in the Trust Deed) has occurred and is continuing or (ii) that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have/has announced an intention permanently to cease business or have/has in fact done so and no successor clearing system satisfactory to the Trustee is available; and
- (B) in the case of all other issues of Notes, (i) that an Event of Default (as defined in the Trust Deed) has occurred and is continuing, or (ii) that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have/has announced an intention permanently to cease business or have/has in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) at the option of the Issuer at any time.

The applicable Final Terms may provide that for the purposes of a particular permanent global Note, the definition of "Exchange Event" shall be "that the Issuer has been notified that, in the case of Notes other than CMU Notes, both Euroclear and Clearstream, Luxembourg have or, in the case of CMU Notes, the CMU Service has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) and no successor clearing system satisfactory to the Trustee is available" (the "**Limited Exchange Event**").

The Issuer will promptly give notice to Noteholders in accordance with Condition 12 if an Exchange Event described in (i) or (ii) in each of subparagraphs (A) and (B) above occurs or if it decides to exercise its option described in (iii) in subparagraph (B) above. In the event of the occurrence of an Exchange Event, in the case of Notes other than CMU Notes, Euroclear and/or Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) in subparagraph (B) above, the Issuer may give notice to, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant

notice by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent.

Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. No definitive Note delivered in exchange for a permanent global Note will be mailed or otherwise delivered to any location in the United States in connection with such exchange. At the date hereof, none of Euroclear, Clearstream, Luxembourg and the CMU Service regards Notes in global form as fungible with Notes in definitive form. Temporary global Notes, permanent global Notes and definitive Notes will be authenticated and delivered by, in the case of Notes other than CMU Notes, the Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent on behalf of the Issuer.

If, in respect of any Tranche of Notes, the applicable Final Terms specifies that a global Note may be exchanged for definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Final Terms.

Save where TEFRA is stated to be "Not Applicable" in the applicable Final Terms, the following legend will appear on all permanent global Notes and definitive bearer Notes which have an original maturity of more than 365 days and on all Coupons and Talons relating to such Notes:

**"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."**

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any Paying Agent (as defined in "Terms and Conditions of the Ordinary and Tier 2 Notes" below) as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal (including premium (if any)) and interest on such Notes, the right to which shall be vested, as against the Issuer, the Trustee and any Paying Agent, solely in the bearer of the global Note in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly.

For so long as any of the Notes is represented by a global Note held by or on behalf of the CMU Operator, each person for whose account a relevant interest in such global Note is credited as being held by the CMU Operator, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator shall be deemed to be the holder of a corresponding nominal amount of such Notes (and the holder of the relevant global Note shall not be deemed to be the holder) for all purposes other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer, the Trustee and the CMU Lodging and Paying Agent, solely in the bearer of such global Note and for which purpose the bearer of such global Note shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly. For these purposes, a notification from the CMU Service shall be conclusive and binding evidence of the identity of any holder of Notes and the nominal amount of any Notes represented by such global Note credited to its account (save in the case of manifest error).

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer, the Trustee and the Agent.

## TERMS AND CONDITIONS OF THE ORDINARY AND TIER 2 NOTES

*The following are (subject to completion and other than the paragraphs in italics) the Terms and Conditions of Notes which will be (i) incorporated by reference into each global Note and (ii) endorsed upon each definitive Note (if any) or incorporated therein by reference. The following Terms and Conditions are subject to completion in accordance with the provisions of the applicable Final Terms or completion, replacement or modification in accordance with the provisions of the applicable Pricing Supplement (each as defined below) in relation to any Notes. Reference should be made to the section headed "Form of Final Terms" and "Form of Pricing Supplement" for the form of Final Terms and Pricing Supplement, as applicable, which will include the definition of certain terms used in the following Terms and Conditions.*

In these Terms and Conditions, the expression "**Notes**" shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency (each as defined in the applicable Final Terms (as defined below)) of the relevant Notes, (ii) definitive Notes issued in exchange for a temporary global Note or a permanent global Note and (iii) any global Note. The Notes are constituted by a trust deed (the "**Original Trust Deed**") dated 22 February 1994 as subsequently modified and/or supplemented and/or restated from time to time, most recently by a Fortieth Supplemental Trust Deed dated 26 November 2020 made between NatWest Group plc (the "**Issuer**") and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor as trustee) as Trustee for the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a global Note, be construed as provided in Condition 1 below) (the Original Trust Deed as so modified and as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**").

Interest bearing definitive Notes will have interest coupons ("**Coupons**") and, if applicable, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupon(s) or Couponholder(s) (as defined below) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s) or Talonholder(s) (as defined below), respectively.

Payments in respect of the Notes will be made under an amended and restated agency agreement dated 26 November 2020 and made between the Issuer, The Bank of New York Mellon, London Branch as agent (the "**Agent**", which expression shall include any successor as agent), The Bank of New York Mellon SA/NV, Luxembourg Branch as a further paying agent, The Bank of New York Mellon, acting through its Hong Kong Branch as CMU lodging agent and paying agent (the "**CMU Lodging and Paying Agent**", which expression shall include any successor CMU Lodging and Paying Agent) (the CMU Lodging and Paying Agent together with the Agent, The Bank of New York Mellon SA/NV, Luxembourg Branch and any additional or successor paying agent(s), the "**Paying Agents**") and the Trustee (such Agreement as further amended, supplemented or restated from time to time, the "**Agency Agreement**").

Notes may be issued at such times as shall be agreed between the Issuer and the relevant Dealer(s) pursuant to an amended and restated programme agreement dated 26 November 2020 between the Issuer and the Dealers named therein. The Issuer and the relevant Dealer(s) shall, prior to the time of issue of any Notes, agree upon the relevant provisions of the Notes to be issued pursuant to the terms set out below, such provisions to be indicated in the applicable Final Terms (as defined below).

The applicable Pricing Supplement in relation to any Tranche of Notes for which no prospectus is required to be published under Regulation (EU) 2017/1129, as amended, replaced or re-enacted by any law or regulation applicable in the United Kingdom ("**Exempt Notes**") may specify terms and conditions other than those set out herein which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purpose of such Notes. For the avoidance of doubt, the Final Terms in relation to each Tranche of Notes (other than Exempt Notes) shall not modify or replace the Terms and Conditions of the Notes as set out herein. The applicable Final Terms (which term in these Terms and Conditions in relation to Exempt Notes shall be deemed to refer to the applicable Pricing Supplement where relevant, as set out below) (or the relevant provisions thereof) will be attached hereto or endorsed hereon.



References herein to the "**applicable Final Terms**" are to Part A of the Final Terms (or, in the case of Exempt Notes, Part A of the Pricing Supplement) attached hereto or endorsed hereon and expressions defined or used in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) shall have the same meanings in these Terms and Conditions, unless the context otherwise requires or unless otherwise stated.

The following statements are summaries of the detailed provisions of the Trust Deed and the applicable Final Terms. Copies of the Trust Deed (which contains the forms of the Notes, Coupons and Talons), together with copies of the Agency Agreement which contains the form of the Final Terms for each issue of Notes, will be available for inspection, free of charge, during normal business hours at the specified office of each of the Paying Agents. A copy of the applicable Final Terms in relation to Notes may be obtained from the specified office of each of the Paying Agents. The Noteholders, the holders of the Coupons (the "**Couponholders**") and the holders of the Talons (the "**Talontholders**") will be deemed to have notice of, and will be entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement, which will be binding on them. Words and expressions defined in the Trust Deed shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated.

As used herein, "**Series**" means the Notes of each original issue of Notes together with the Notes of any further issues expressed to be consolidated and form a single series with the Notes of an original issue and which are denominated in the same currency and the terms of which (save for the Issue Date, the Interest Commencement Date or the Issue Price) are otherwise identical (including whether or not they are listed on any stock exchange) and shall be deemed to include the temporary and permanent global Notes and the definitive Notes of such Series; and the expressions "**Notes of the relevant Series**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. As used herein, "**Tranche**" means all Notes of the same Series with the same Issue Date, Interest Commencement Date and Issue Price.

As used herein, "**CNY**" and "**Renminbi**" each mean the lawful currency of the PRC and "**PRC**" means the People's Republic of China which for the purpose of these Terms and Conditions, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan.

As used herein, "**Calculation Agent**" means National Westminster Bank plc or any other person specified as the calculation agent in the applicable Final Terms.

## **1 Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms.

This Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a "**Fixed Rate Note**"), (ii) bear interest calculated by reference to, in the case of an initial period, an initial fixed rate of interest and, thereafter, the applicable fixed rate of interest that has been determined pursuant to the reset provisions contained in these Terms and Conditions, by reference to a mid-market swap rate for the Specified Currency (such Note, a "**Reset Note**"), (iii) bear interest calculated by reference to one or more floating rates of interest (such Note, a "**Floating Rate Note**"), (iv) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such Note, a "**Zero Coupon Note**") or (v) be a combination of any of the foregoing.

In addition, the Notes will provide that the rights of Noteholders with regard to payments of principal will either be (i) unsubordinated ("**Ordinary Notes**") or (ii) subordinated in the manner described under Condition 2(b) below with a fixed redemption date and with terms capable of qualifying as Tier 2 Capital (the "**Tier 2 Notes**"). The term "**Tier 2 Capital**" means tier 2 capital for the purposes of the Capital Regulations.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may (to the fullest extent permitted by

applicable law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next two succeeding paragraphs. The holder of each Coupon, whether or not such Coupon is attached to a Note, shall be subject to and bound by all the provisions contained in the relevant Note.

For so long as any of the Notes of this Tranche is represented by a global Note (including Notes issued in new global note ("NGN") form, as specified in the applicable Final Terms) held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, the Trustee and any Paying Agent, solely in the bearer of the relevant global Note in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

For so long as any of the Notes in this Tranche is represented by a global Note held by or on behalf of the Hong Kong Monetary Authority as operator (the "**CMU Operator**") of the Central Moneymarkets Unit Service ("**CMU Service**"), each person for whose account a relevant interest in such global Note is credited as being held by the CMU Operator, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator (which notification, in either case, shall be conclusive evidence of the records of the CMU Operator save in the case of manifest error) shall be deemed to be the holder of a corresponding nominal amount of the Notes (and the holder of the relevant global Note shall not be deemed to be the holder) for all purposes other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer, the Trustee and the CMU Lodging and Paying Agent, solely in the bearer of such global Note and for which purpose the bearer of such global Note shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) (and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly). For these purposes, a notification from the CMU Service shall be conclusive and binding evidence of the identity of any holder of Notes and the nominal amount of any Notes represented by such global Note credited to its account (save in the case of manifest error).

Any reference to "**CMU Notes**" means Notes denominated in any currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, initially cleared through the CMU Service.

Any reference to "**Euroclear**" and/or "**Clearstream, Luxembourg**" and/or "**CMU Service**" shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent.

## 2 Status of the Notes

### (a) *Status of the Ordinary Notes*

#### (i) *Status*

The Ordinary Notes and the Coupons relating thereto (if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save to the extent that laws affecting creditors' rights generally

in a bankruptcy, winding up, administration or other insolvency procedure may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

(ii) *Set-Off and Netting*

Subject to applicable law, no holder of any Ordinary Notes ("**Ordinary Noteholders**") or the Coupons relating thereto ("**Ordinary Couponholders**") (if any) nor the Trustee may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Ordinary Notes or the Coupons relating thereto, and each Ordinary Noteholder or Ordinary Couponholder shall, by virtue of its subscription, purchase or holding of any Ordinary Note or Coupon, be deemed to have waived all such rights of set-off and netting. To the extent that any set-off or netting takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to an Ordinary Noteholder or Ordinary Couponholder arising under or in connection with the Ordinary Notes or the Coupons relating thereto; and (z) any amount owed to the Issuer by such Ordinary Noteholder or, as the case may be, Ordinary Couponholder, such Ordinary Noteholder or, as the case may be, Ordinary Couponholder will immediately transfer such amount which is set-off or netted to the Issuer or, in the event of its Winding Up or Qualifying Procedure (as the case may be), the liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for the Issuer.

(b) *Status of the Tier 2 Notes*

(i) *Status*

The Tier 2 Notes and the Coupons relating thereto (if any) constitute unsecured and, in accordance with paragraph (ii) below, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

(ii) *Subordination*

In the event of the Winding Up or a Qualifying Procedure (each as defined in Condition 2(c) below) of the Issuer, the rights and claims of the holders of the Tier 2 Notes (the "**Tier 2 Noteholders**") and the Coupons (if any) relating thereto (the "**Tier 2 Coupons**", and "**Tier 2 Couponholders**" will be construed accordingly) and the Trustee (on behalf of Tier 2 Noteholders and/or Tier 2 Couponholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) against the Issuer in respect of or arising under the Tier 2 Notes and the relative Tier 2 Coupons and the Trust Deed (including any amounts attributable to the Tier 2 Notes and the relative Tier 2 Coupons and the Trust Deed and any damages awarded for breach of any obligations) will be subordinated in the manner provided in this paragraph (ii) and in the Trust Deed to the claims of all Senior Creditors but shall rank at least *pari passu* with the claims of Parity Creditors and with the claims of holders of all other subordinated obligations (including guarantee obligations) of the Issuer which by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Notes and/or Tier 2 Coupons and shall rank in priority to the claims of Junior Creditors, the claims of holders of all undated or perpetual, junior subordinated obligations (including guarantee obligations) of the Issuer and to the claims of holders of all classes of share capital of the Issuer.

(iii) *Set-Off and Netting*

Subject to applicable law, neither any Tier 2 Noteholder or Tier 2 Couponholder nor the Trustee may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 2 Notes or the Tier 2 Coupons and each Tier 2 Noteholder and Tier 2 Couponholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Note or Tier 2 Coupon, be deemed to have waived all such rights of set-off and netting.

To the extent that any set-off or netting takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a Tier 2 Noteholder or a Tier 2 Couponholder arising under or in connection with the Tier 2 Notes or the Tier 2 Coupons; and (z) any amount owed to the Issuer by such Tier 2 Noteholder or, as the case may be, Tier 2 Couponholder, such Tier 2 Noteholder or, as the case may be, Tier 2 Couponholder will immediately transfer such amount which is set-off or netted to the Issuer or, in the event of its Winding Up or Qualifying Procedure (as the case may be), the liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for the Senior Creditors.

For the purposes of Condition 2(b):

**"Junior Creditors"** means creditors of the Issuer who are holders of any additional tier 1 capital (within the meaning of the Capital Regulations issued by the Issuer (including the \$2,650,000,000 8.625% Perpetual Subordinated Contingent Convertible Additional Tier 1 Capital Notes (Callable August 15, 2021 and Every Five Years Thereafter) (ISIN US780097BB64), the \$1,150,000,000 8.000% Perpetual Subordinated Contingent Convertible Additional Tier 1 Capital Notes (Callable August 10, 2025 and Every Five Years Thereafter) (ISIN US780099CK11), the \$1,500,000,000 6.000% Reset Perpetual Subordinated Contingent Convertible Additional Tier 1 Capital Notes (ISIN US780097BQ34) and the £1,000,000,000 5.125% Reset Perpetual Subordinated Contingent Convertible Additional Tier 1 Capital Notes (ISIN XS2258827034), and in each case any other obligations of the Issuer which rank or are expressed to rank *pari passu* with any of such obligations;

**"Parity Creditors"** means creditors of the Issuer who are holders of the \$2,250,000,000 5.125% Subordinated Tier 2 Notes due 2024 (ISIN US780099CH81), the €1,000,000,000 3.625 per cent. Subordinated Tier 2 Notes due 25 March 2024 (ISIN XS1049037200), the \$750,000,000 Fixed-to-Fixed Reset Rate Subordinated Tier 2 Notes due 2029 (ISIN US780097BM20), the £1,000,000,000 Fixed-to-Fixed Rate Reset Tier 2 Notes due 14 August 2030 (ISIN XS2172960481) and the \$850,000,000 Fixed-to-Fixed Reset Rate Subordinated Tier 2 Notes due 2035 (ISIN US639057AB46), and in each case any other obligations of the Issuer which rank or are expressed to rank *pari passu* with any of such obligations;

**"secondary non-preferential debts"** shall have the meaning given to it in the Banks and Building Societies (Priorities on Insolvency) Order 2018 and any other law or regulation applicable to the Issuer which is amended by such Order, as each may be amended or replaced from time to time; and

**"Senior Creditors"** means creditors of the Issuer whose claims are admitted to proof in the winding up, administration or other insolvency procedure of the Issuer and (i) who are unsubordinated creditors of the Issuer, (ii) who are creditors in respect of any secondary non-preferential debts, or (iii) who are subordinated creditors of the Issuer (whether in the event of a winding up or administration of the Issuer or otherwise) other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Tier 2 Noteholders and/or Tier 2 Couponholders or (y) those who are Parity Creditors or Junior Creditors.

(c) *Definitions*

In these Terms and Conditions:

**"PRA"** means the Prudential Regulation Authority or such other governmental authority in the United Kingdom (or, if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, in such other jurisdiction) having primary supervisory authority with respect to the Issuer;

**"Qualifying Procedure"** means (i) that an administrator has been appointed in respect of the Issuer and has given notice that he/she intends to declare and distribute a dividend or (ii) a liquidation or dissolution of the Issuer or any procedure similar to a Winding Up or that procedure described in (i) that is

commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009, as amended; and

**"Winding Up"** means any winding up of the Issuer excluding a solvent winding up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes of the relevant Series.

### 3 Interest

#### (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the date(s) so specified in the applicable Final Terms on which interest is payable in each year (each, an **"Interest Payment Date"**) (subject to adjustment as described below) and on the Maturity Date so specified if that does not fall on an Interest Payment Date. If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will be the Fixed Coupon Amount if one is specified in the applicable Final Terms. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period from the Interest Commencement Date to such Interest Payment Date differs from the period between subsequent Interest Payment Dates, the amount of the first interest payment will be the initial Broken Amount specified in the applicable Final Terms. If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be the final Broken Amount specified in the applicable Final Terms.

If the Modified Following Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date (or other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day. Unless the applicable Final Terms specify that the Business Day Convention is "adjusted", any such adjustment to an Interest Payment Date (or other date) shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date (or other date).

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts

(determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

- (i) If **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date on which interest was paid (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date), the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;
- (ii) if **"30/360"** is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (iii) if **"RBA Bond Basis"** is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each twelve-month period (or, where the calculation period does not constitute an Interest Period, the actual number of days in the calculation period divided by 365 (or, if any portion of the calculation period falls in a leap year, the sum of:
  - (1) the actual number of days in that portion of the calculation period falling in a leap year divided by 366; and
  - (2) the actual number of days in that portion of the calculation period falling in a non-leap year divided by 365)); and
- (iv) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In this Condition:

**"Business Day"** has the meaning given to it in Condition 3(c)(i);

**"Determination Period"** means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date;

**"euro"** has the meaning given to it in Condition 3(c)(i); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Reset Notes*

(i) *Rates of Interest and Interest Payment Dates*

Each Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date specified in the applicable Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if no Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the date(s) so specified in the applicable Final Terms on which interest is payable in each year (each an **"Interest Payment Date"**) (subject to adjustment as described in the second paragraph of Condition 3(a)) and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the amount of interest (the **"Interest Amount"**) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3(a) and, for such purposes, references in the second and third paragraphs of Condition 3(a) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 3(a) shall be construed accordingly.

In these Terms and Conditions:

**"First Margin"** means the margin specified as such in the applicable Final Terms;

**"First Reset Date"** means the date specified in the applicable Final Terms;

**"First Reset Period"** means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if no Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date;

**"First Reset Rate of Interest"** means, in respect of the First Reset Period and subject to Condition 3(b)(ii) (if applicable), 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 First Margin, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent;

**"Initial Mid-Swap Rate"** has the meaning specified in the applicable Final Terms;

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

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Mid-Swap Rate Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency

as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means either (i) the Reference Rate specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, either EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 3(b)(ii), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Reset Determination Time on such Reset Determination Date, all as determined by the Calculation Agent;

**"Non-Sterling Reference Bond Rate"** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**"Original Mid-Swap Rate Basis"** has the meaning given in the applicable Final Terms. In the case of Notes other than Exempt Notes, the Original Mid-Swap Rate Basis shall be annual, semi-annual, quarterly or monthly;

**"Rate of Interest"** means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of



international reputation determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average (as determined by the Calculation Agent), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time on such Reset Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

**"Reset Date"** means the First Reset Date and each Subsequent Reset Date (as applicable), in each case as adjusted (if so specified in the applicable Final Terms) in accordance with Condition 3(a) as if the relevant Reset Date was an Interest Payment Date;

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**"Reset Period Maturity Initial Mid-Swap Rate"** has the meaning specified in the applicable Final Terms;

**"Reset Reference Bond"** means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer (after consultation with an investment bank or financial institution of international reputation determined to be appropriate by the Issuer, which, for avoidance of doubt, could be the Calculation Agent) as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

**"Reset Reference Bond Price"** means, with respect to any Reset Determination Date:

- (i) the arithmetic average (as determined by the Calculation Agent) of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (ii) if fewer than five but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Calculation Agent) of all such quotations; or
- (iii) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
- (iv) if no Reference Government Bond Dealer Quotations are received when U.S. Treasury Rate does not apply, in the case of the First Reset Rate of Interest, the Initial Reference Rate and, in the case of any Subsequent Reset Rate of Interest, the Reset Reference Rate as at the last preceding Reset Date, or when U.S. Treasury Rate does apply, the U.S. Treasury Rate shall be determined in accordance with the second paragraph in the definition of U.S. Treasury Rate;

**"Reset Reference Rate"** means one of (i) the Mid-Swap Rate, (ii) the Sterling Reference Bond Rate, (iii) the Non-Sterling Reference Bond Rate or (iv) the U.S. Treasury Rate, as specified in the applicable Final Terms;

**"Sterling Reference Bond Rate"** means, with respect to any Reset Period and related Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such basis is no longer in customary market usage at such time, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Issuer following consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer (which, for the avoidance of doubt, could be the Calculation Agent), on an annual or semi-annual (as the case may be) compounding basis (rounded up (if necessary) to four decimal places) of the Reset Reference Bond in respect of that Reset Period, assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

**"Subsequent Margin"** means the margin specified as such in the applicable Final Terms;

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

**"Subsequent Reset Period"** means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date (or, if none, the Maturity Date), and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (or, if none, the Maturity Date);

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period and subject to Condition 3(b)(ii) (if applicable), 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, adjusted if necessary in accordance with market convention in the manner determined by the Calculation Agent; and

**"U.S. Treasury Rate"** means, with respect to any Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to: (1) the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption "Treasury constant maturities" at the Reset Determination Time on the Reset Determination Date in the applicable most recently published statistical release designated "H.15 Daily Update", or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption "Treasury Constant Maturities", for a maturity comparable with the Reset Period; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset Reference Bond, calculated using a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Determination Date;

If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, "U.S. Treasury Rate" means the rate in percentage per annum as notified by the

Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated "H.15 Daily Update" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity comparable with the Reset Period) and as at the Reset Determination Time on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

(ii) *Fallbacks*

Where the Mid-Swap Rate is specified in the applicable Final Terms as the Reset Reference Rate, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (subject to Condition 3(f)), the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of the relevant Mid-Market Swap Rate Quotation provided and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph:

- (A) in the case of the first Reset Determination Date only, the First Reset Rate of Interest will be equal to the sum of:
1. if Initial Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Initial Mid-Swap Rate and (ii) the First Margin;
  2. if Reset Period Maturity Initial Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Reset Period Maturity Initial Mid-Swap Rate and (ii) the First Margin; or
  3. if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (ii) the First Margin; or
- (B) in the case of any Reset Determination Date other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:

1. if Subsequent Reset Rate Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (ii) the Subsequent Margin; or
2. if Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (i) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (ii) the Subsequent Margin,

all as determined by the Calculation Agent taking into consideration all available information that it in good faith deems relevant.

For the purposes of this Condition 3(b)(ii) "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(iii) *Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount*

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Agent and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day (where a "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London) thereafter.

(iv) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of bad faith and wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or
- (B) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each also an "**Interest Payment Date**") which (save as otherwise mentioned in these Terms and Conditions or specified in the applicable Final Terms) falls the number of months or such other periods specified as the Interest Period(s) in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date (or other date) should occur or (y) if any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in the case where an Interest Period is specified in accordance with the preceding paragraph (B), the Floating Rate Convention, such Interest Payment Date (or other date)
  - (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day of the month in which such Interest Payment Date (or other date) would have fallen; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day, save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

In this Condition:

**"Business Day"** means:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and the Business Centre(s) (if any) specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London) which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively and which, if the Specified Currency is Renminbi, shall be Hong Kong or (2) in relation to any sum payable in euro, a day on which the Trans European Automated Real time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, (the **"TARGET2 System"**) is open;

**"euro"** means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union as amended; and

**"Interest Period"** means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date which may or may not be the same number of months or other period throughout the life of the Notes.

(ii) *Rate of Interest*

The rate of interest (the "**Rate of Interest**") payable from time to time in respect of this Note if it is a Floating Rate Note will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Swap Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period equal to that Interest Period; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this paragraph (iii), (a) "**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series, published by the International Swaps and Derivatives Association, Inc. and, if specified in the applicable Final Terms, as supplemented by the ISDA Benchmarks Supplement; (b) "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions and "**Swap Calculation Agent**" has the meaning given to the term "**Calculation Agent**" in the ISDA Definitions; and (c) "**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms)) published by the International Swaps and Derivatives Association, Inc.

When this paragraph (iii) applies, in respect of each relevant Interest Period:

- (A) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Calculation Agent in accordance with this paragraph (iii) plus or minus (as indicated in the applicable Final Terms) the Margin (if any); and
- (B) the Calculation Agent will be deemed to have discharged its obligations under Condition 3(c)(viii) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which reference SONIA or SOFR)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is not SONIA or SOFR, the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(f), be either:

- (A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR, EUR LIBOR, EURIBOR, BBSW, BKBM, SHIBOR, HIBOR, CNH HIBOR, SOR, SIBOR, TIBOR, CDOR, STIBOR or NIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or any successor or replacement page, section, caption, column or other part of a particular information service) as at the Specified Time (as defined below) on the Interest Determination Date in question (as indicated in the applicable Final Terms) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if subparagraph (A) above applies and no such offered quotation appears on the Relevant Screen Page or, if subparagraph (B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period, if the Reference Rate is GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR or EUR LIBOR, to leading banks in the London inter bank market as at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, to leading banks in the Euro zone inter bank market as at 11.00 a.m. (Brussels time), if the Reference Rate is BBSW, to leading banks in the Sydney inter bank market as at 10.30 a.m. (Sydney time), if the Reference Rate is BKBM, to leading banks in the New Zealand inter bank market at 10.45 a.m. (Auckland and Wellington time), if the Reference Rate is SHIBOR, to leading banks in the Beijing inter bank market at 11.30 a.m. (Beijing time), if the Reference Rate is HIBOR or CNH HIBOR, to leading banks in the Hong Kong inter bank market as at 11.00 a.m. (Hong Kong time), if the Reference Rate is SOR or SIBOR, to leading banks in the Singapore inter bank market as at 11.00 a.m. (Singapore time), if the Reference Rate is TIBOR, to leading banks in the Tokyo inter bank market as at 11.00 a.m. (Tokyo time), if the Reference Rate is CDOR, to leading banks in the Toronto inter bank market as at 10.00 a.m. (Toronto time), if the Reference Rate is STIBOR, to leading banks in the Stockholm inter bank market as at 11.00 a.m. (Stockholm time), or, if the Reference Rate is NIBOR, to leading banks in the Oslo inter bank market as at 11.00 a.m. (Oslo time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time, on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in, if the Reference Rate is GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR or EUR LIBOR, the London inter bank market, if the Reference Rate is EURIBOR, the Euro zone inter

bank market, if the Reference Rate is BBSW, the Sydney inter bank market, if the Reference Rate is BKBM, the New Zealand inter bank market, if the Reference Rate is SHIBOR, the Beijing inter bank market, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter bank market, if the Reference Rate is SOR or SIBOR, the Singapore inter bank market, if the Reference Rate is TIBOR, the Tokyo inter bank market, if the Reference Rate is CDOR, the Toronto inter bank market, if the Reference Rate is STIBOR, the Stockholm inter bank market, or, if the Reference Rate is NIBOR, the Oslo inter bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time, on the relevant Interest Determination Date, any one or more banks selected by the Calculation Agent for the purpose (which bank or banks shall be so selected after consultation with the Issuer and shall not include any bank or banks which in the opinion of the Issuer is not or are not suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR or EUR LIBOR, the London inter bank market, if the Reference Rate is EURIBOR, the Euro zone inter bank market, if the Reference Rate is BBSW, the Sydney inter bank market, if the Reference Rate is BKBM, the New Zealand inter bank market, if the Reference Rate is SHIBOR, the Beijing inter bank market, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter bank market, if the Reference Rate is SOR or SIBOR, the Singapore inter bank market, if the Reference Rate is TIBOR, the Tokyo inter bank market, if the Reference Rate is CDOR, the Toronto inter bank market, if the Reference Rate is STIBOR, the Stockholm inter bank market, or, if the Reference Rate is NIBOR, the Oslo inter bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be (i) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest and/or Minimum Rate of Interest applicable to the first Interest Period).

In this paragraph (iv), the expression "**Specified Time**" means, 11.00 a.m. (London time, in the case of a determination of GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR or EUR LIBOR, or Brussels time, in the case of a determination of EURIBOR), or 10.30 a.m. Sydney time (in the case of a determination of BBSW), or 10.45 a.m. New Zealand time (in the case of a determination of BKBM), or 11.30 a.m. Beijing time (in the case of a determination of SHIBOR), or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then 2.30 p.m. (in the case of a determination of CNH HIBOR), 11.00 a.m. (Hong Kong time) (in the case of a determination of HIBOR), 11.00 a.m. Singapore time (in the case of a determination of SOR or SIBOR), 11.00 a.m. Tokyo time (in the case of a determination of TIBOR), 10.00 a.m. Toronto time (in the case of a determination of CDOR), 11.00 a.m. Stockholm time (in the case of a determination of STIBOR), or 11.00 a.m. Oslo time (in the case of a determination of NIBOR), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the money,



securities or other market most closely connected with the relevant Reference Rate as selected by the Issuer on the advice of an investment bank of international repute and "Euro-zone" means the region comprised of member states of the European Union that have adopted the euro as the single currency in accordance with the Treaty on European Union.

(v) *Screen Rate Determination for Floating Rate Notes which reference SONIA or SOFR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SONIA or SOFR:

- (A) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded Daily", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent, where:

"**Compounded Daily Reference Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**Business Day**" or "**BD**", in this Condition has the meaning set out in Condition 3(c)(i), save that where "SOFR" is specified as the Reference Rate, it means a U.S. Government Securities Business Day;

"**D**" is the number specified in the applicable Final Terms;

"**d**" is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

"**d<sub>o</sub>**" is, in relation to any Interest Accrual Period, the number of Business Days in such Interest Accrual Period;

"**i**" is, in relation to any Interest Accrual Period, a series of whole numbers from one to d<sub>o</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Interest Accrual Period;

"**Interest Accrual Period**" means in relation to any Interest Period:

- a. where "Lag" or "Lock-out" is specified as the Observation Method in the applicable Final Terms, such Interest Period;
- b. where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Interest Period;

"**Lock-out Period**" means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

**"New York Fed's Website"** means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, any successor website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

**"n<sub>i</sub>"**, for any Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from and including such Business Day "i" up to but excluding the following Business Day;

**"Observation Period"** means, in respect of any Interest Period, the period from and including the date falling "p" Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**"p"** means, for any Interest Period:

- a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified five Business Days);
- b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero; and
- c. where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified two Business Days);

**"r"** means:

- a. where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- b. where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- c. where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  1. in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
  2. in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date); and
- d. where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  1. in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and

2. in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

**"Reference Day"** means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

**"Relevant Decimal Place"** shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be five);

**" $r_{i-pBD}$ "** means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for, where "Lag" is specified as the Observation Method in the applicable Final Terms, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, where "Lock-out" or "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Business Day "i";

**"SOFR"** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

**"SONIA"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Weighted Average", the Rate of Interest for each Interest Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

**"Business Day"** has the meaning set out in paragraph (A) above;

**"Lock-out Period"** has the meaning set out in paragraph (A) above;

**"Observation Period"** has the meaning set out in paragraph (A) above;

**"Reference Day"** has the meaning set out in paragraph (A) above;

**"Relevant Decimal Place"** has the meaning set out in paragraph (A) above; and

**"Weighted Average Reference Rate"** means:

- a. where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and
  - b. where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, provided however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.
- (C) where "Index Determination" is specified as the Calculation Method in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{D}{d}$$

and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the relevant Interest Determination Date where:

**"Compounded Index"** shall mean either SONIA Compounded Index or SOFR Compounded Index, as specified in the applicable Final Terms;

**"d"** is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

**"End"** means in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (A) above) prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**"p"** is the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, two);

**"Relevant Decimal Place"** shall be the number of decimal places specified in the applicable Final Terms and will be rounded up or down, if necessary (with half of the

highest decimal place being rounded upwards) (or, if no such number is specified, if the SONIA Compounded Index is applicable, it shall be five, and, if the SOFR Compounded Index is applicable, it shall be seven);

**"SOFR Compounded Index"** means the Compounded Daily SOFR rate as published at 3.00 p.m. (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10.00 a.m. (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

**"Start"** means, in relation to any Interest Period, the relevant Compounded Index value on the day falling "p" Business Days (as defined in paragraph (A) above) prior to the first day of such Interest Period.

Subject to Condition 3(f) or, if applicable, Condition 3(g), if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if "Index Determination" was not specified as the Calculation Method in the applicable Final Terms and as if "Compounded Daily" was specified instead as the Calculation Method in the applicable Final Terms and where "Observation Shift" was specified as the Observation Method.

- (D) where "SONIA" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SONIA (as defined in paragraph (A) above) is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall be:
- (1) (i) the Bank of England's Bank Rate (the **"Bank Rate"**) prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (2) subject to Condition 3(f), if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors),

and in each case, "r" shall be interpreted accordingly.

- (E) where "SOFR" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day (as defined in paragraph (A) above), the Reference Rate is not available, subject to Condition 3(f) or, if applicable, Condition 3(g), such Reference Rate shall be the SOFR (as defined in paragraph (A) above) for the first preceding Business Day on which the SOFR was published on the New York Fed's Website (as defined in paragraph (A) above) and "r" shall be interpreted accordingly.
- (F) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 3(f) or, if applicable, Condition

3(g), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 5 or Condition 8, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(vi) *Linear Interpolation*

If the applicable Final Terms specifies a Linear Interpolation as applicable in respect of an Interest Period, the Rate of Interest (where Screen Rate Determination is specified hereon as applicable) or rate (where ISDA Determination is specified hereon as applicable) for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

**"Applicable Maturity"** means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, (b) in relation to ISDA Determination, the Designated Maturity.

(vii) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period determined in accordance with the above provisions shall in no event be less than such Minimum Rate of Interest. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period determined in accordance with the above provisions shall in no event exceed such Maximum Rate of Interest.

(viii) *Determination of Rate of Interest and calculation of Interest Amount*

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined determine the Rate of Interest and calculate the amount of interest

(the "**Interest Amount**") payable for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 3(c):

1. if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non leap year divided by 365);
2. if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
3. if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Period falling in a leap year, 366;
4. if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
5. if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

6. if **"30E/360"** or **"Eurobond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

7. if **"30E/360 (ISDA)"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

8. if **"RBA Bond Basis"** is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each twelve-month period (or, where the calculation period does not constitute an Interest Period, the actual number of days in the calculation period divided by 365 (or, if any portion of the calculation period falls in a leap year, the sum of:



- (A) the actual number of days in that portion of the calculation period falling in a leap year divided by 366; and
- (B) the actual number of days in that portion of the calculation period falling in a non-leap year divided by 365)).

(ix) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day (where a "**London Business Day**" means a day (other than Saturday or Sunday) on which banks and foreign exchange markets are open for business in London) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 12.

(x) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(c) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of bad faith and wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon, where applicable, due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to Noteholders in accordance with Condition 12 or individually.

(e) *Interpretation*

For the purposes of this Condition 3, references to the Agent in relation to all certificates, communications, opinions, determinations, calculations, quotations, decisions or related actions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 by the Agent shall, in the case of CMU Notes, be deemed to be references to the CMU Lodging and Paying Agent, unless the context otherwise requires.

(f) *Benchmark replacement*

(1) *Notes not linked to SOFR*

Notwithstanding the provisions above in this Condition 3 but subject, in the case of Notes linked to SONIA, to Condition 3(c)(v)(D)(1) above taking precedence, if the Issuer (in consultation, to

the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred or considers that there may be a Successor Rate, in either case, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), then the following provisions shall apply (other than to Notes linked to SOFR):

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate no later than 3 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f));
- (B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with subparagraph (A) above, then the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f) in the event of a further Benchmark Event affecting the Successor Rate or Alternative Reference Rate); **provided, however, that** if this subparagraph (B) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this subparagraph (B) (and for the avoidance of doubt, shall apply to only such Reset Period or Interest Period (as applicable)), the Rate of Interest applicable to such Reset Period or Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Reset Period or Interest Period as applicable (which may be the Initial Rate of Interest) (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Reset Period or Interest Period, in place of the Margin relating to that last preceding Reset Period or Interest Period);
- (C) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f) in the event of a further Benchmark Event affecting the Successor Rate or Alternative Reference Rate);
- (D) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If

the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

- (E) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also, following consultation, to the extent practicable, with the Calculation Agent, specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date, Interest Payment Dates and/or the definition of Mid-Swap Floating Leg Benchmark Rate, Reference Rate or Adjustment Spread applicable to the Notes (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(f)). Subject as provided in the Trust Deed, the Trustee shall, at the direction and expense of the Issuer and without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect such consequential amendments to the Trust Deed, the Agency Agreement and these Terms and Conditions (including, inter alia, by the execution of a deed supplemental to/amending the Trust Deed) as may be required in order to give effect to this Condition 3(f) and the Trustee shall not be liable to any party for any consequences thereof (provided, however, that the Trustee shall not be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it in any document to which it is a party). An Independent Adviser appointed pursuant to this Condition 3(f) shall act in good faith and (in the absence of bad faith, gross negligence and wilful misconduct) shall have no liability whatsoever to the Issuer, the Trustee, the Agent, the Calculation Agent or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(f). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer, Trustee or Agent (if required); and
- (F) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to subparagraph (E) above to the Trustee, the Agent and the Noteholders. No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer confirming (i) that a Benchmark Event has occurred or that there is a Successor Rate, (ii) the Successor Rate or Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to subparagraph (E) above. The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate (as applicable), where applicable, any Adjustment Spread and, where applicable, any such

other relevant changes pursuant to this Condition 3(f) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Noteholders and the Couponholders.

(2) *Notes linked to SOFR*

In the case of Notes linked to SOFR:

- (A) if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event and the relevant SOFR Index Cessation Date have both occurred, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) or, if no such rate has been recommended within one Business Day (as defined in paragraph (A) of Condition 3(c)(v)) of the SOFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the Overnight Bank Funding Rate (published on the New York Fed's Website at or around 5:00 p.m. (New York time) on the relevant New York City Banking Day) for any SOFR Reset Date falling on or after the SOFR Index Cessation Date (it being understood that the Overnight Bank Funding Rate for any such SOFR Reset Date will be for trades made on the related SOFR Determination Date); or
- (B) if the Calculation Agent is required to use the Overnight Bank Funding Rate in paragraph (A) above and an OBFR Index Cessation Event and an OBFR Index Cessation Date have both occurred, then for any SOFR Reset Date falling on or after the later of the SOFR Index Cessation Date and the OBFR Index Cessation Date, the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) shall be the short-term interest rate target set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the New York Fed's Website and as prevailing on such SOFR Reset Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range),

and in each case "r" shall be interpreted accordingly.

For the purposes of this Condition 3(f):

**"Adjustment Spread"** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the relevant Mid-Swap Floating Leg

Benchmark Rate or Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency, where such rate has been replaced by such Successor Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser in its discretion (in consultation with the Issuer) or the Issuer in its discretion (as applicable) determines (acting in good faith) to be appropriate;

**"Alternative Reference Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines, each in its own discretion, acting in good faith, is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable);

**"Benchmark Event"** means:

- (i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate) it has ceased, or it will, by a specified future date, cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely; or
- (iii) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that means that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, by a specified future date, be prohibited from being used or that its use will, by a specified future date, be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, such Mid-

Swap Floating Leg Benchmark Rate or Reference Rate is or will, by a specified future date, be no longer representative of an underlying market; or

- (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, as amended or replaced by any successor regulation applicable in the United Kingdom, if applicable),

provided that, notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (ii), (iii), (iv) or (v) above and the relevant specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

**"New York Fed's Website"** has the meaning given in paragraph (A) of Condition 3(c)(v);

**"New York City Banking Day"** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

**"OBFR Index Cessation Date"** means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used;

**"OBFR Index Cessation Event"** means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased, or will cease, to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an Overnight Bank Funding Rate;
- (ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased, or will cease, to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

**"Relevant Nominating Body"** means, in respect of a reference rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and

Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof;

**"SOFR Determination Date"** means, with respect to any SOFR Reset Date and with respect to (x) the Secured Overnight Financing Rate and (y) the Overnight Bank Funding Rate: (i) in the case of (x), the first Business Day immediately preceding such SOFR Reset Date; and (ii) in the case of (y), the first New York City Banking Day immediately preceding such SOFR Reset Date;

**"SOFR Index Cessation Date"** means, in respect of a Benchmark Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used;

**"SOFR Reset Date"** means each Business Day during the relevant Interest Period, provided however that if both a Benchmark Event and a SOFR Index Cessation Date have occurred, it shall mean: (i) in respect of the period from, and including, the first day of the Interest Period in which the SOFR Index Cessation Date falls (such Interest Period, the **"Affected Interest Period"**) to, but excluding, the SOFR Index Cessation Date (such period, the **"Partial SOFR Period"**), each Business Day during the Partial SOFR Period; (ii) in respect of the period from, and including, the SOFR Index Cessation Date to, but excluding, the Interest Payment Date in respect of the Affected Interest Period (such period, the **"Partial Fallback Period"**), each New York City Banking Day during the Partial Fallback Period; and (iii) in respect of each Interest Period subsequent to the Affected Interest Period, each New York City Banking Day during the relevant Interest Period; and

**"Successor Rate"** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (for the avoidance of doubt, whether or not such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be available) which is recommended by any Relevant Nominating Body.

(g) *Effect of Benchmark Transition Event*

Where "SOFR" is specified as the Reference Rate and where "ARRC Fallbacks" are specified as applicable in the applicable Final Terms:

- (1) notwithstanding any other provision to the contrary in these Terms and Conditions, if the Issuer or, at the Issuer's request, the Calculation Agent, determines on or prior to the Reference Time, that a Benchmark Transition Event and its related Benchmark Replacement Date (each, as defined below) have occurred with respect to the then current Benchmark, then the provisions set forth in this Condition 3(g) (the **"Benchmark Transition Provisions"**), will thereafter apply to all terms of the Notes relevant in respect of such Benchmark, including without limitation, the determination of any Rate of Interest. In accordance with the Benchmark Transition Provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any such Rate of Interest in respect of an Interest Period will be determined by reference to the relevant Benchmark Replacement;
- (2) if the Issuer or, at the Issuer's request, the Calculation Agent, determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates;
- (3) in connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time;

- (4) subject as provided in the Trust Deed, the Trustee shall, at the direction and expense of the Issuer and without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect such Benchmark Replacement Conforming Changes (including, inter alia, by the execution of a deed supplemental to/amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof (provided, however, that the Trustee shall not be obliged to agree to any such Benchmark Replacement Conforming Changes if the same would, in the sole opinion of the Trustee, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it in any document to which it is a party);
- (5) the Issuer shall, prior to the taking effect of any Benchmark Replacement Conforming Changes, give notice thereof to the Trustee, the Agent and the Noteholders. No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer confirming (i) that a Benchmark Transition Event has occurred, (ii) the applicable Benchmark Replacement, (iii) where applicable, any Benchmark Replacement Adjustment, and (iv) the terms of the Benchmark Replacement Conforming Changes. The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement Conforming Changes and where applicable, any such other relevant changes pursuant to this Condition 3(g) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Noteholders and the Couponholders;
- (6) any determination, decision or election that may be made by the Issuer or Calculation Agent pursuant to this Condition 3(g), including any determination with respect to a tenor, rate or refrain from taking any action or any selection:
  - (i) will be conclusive and binding absent manifest error;
  - (ii) if made by the Issuer, will be made in the Issuer's sole discretion;
  - (iii) if made by the Calculation Agent, will be made after consultation with the Issuer, and the Calculation Agent will not make any such determination, decision or election to which the Issuer reasonably objects; and
  - (iv) notwithstanding anything to the contrary in these Terms and Conditions, the Trust Deed, the Agency Agreement or the Notes, shall become effective without consent from the Noteholders or the Couponholders or any other party; and
- (7) if the Calculation Agent does not make any determination, decision or election that it is required to make pursuant to this Condition 3(g), then the Issuer will make that determination, decision or election on the same basis as described above.

For the purposes of this Condition 3(g):

**"Benchmark"** means SOFR provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement;

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer or the Calculation Agent as of the Benchmark Replacement Date:

- (i) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;



- (ii) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or the Calculation Agent as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer or the Calculation Agent as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or the Calculation Agent giving due consideration to any industry-accepted spread adjustments, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement Rate, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or the Calculation Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement Rate in a manner substantially consistent with market practice (or, if the Issuer or the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or the Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or the Calculation Agent determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein,

and, for the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the

time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means the time determined by the Issuer or the Calculation Agent in accordance with the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement Rate excluding the Benchmark Replacement Adjustment.

(h) *Saving provision*

Notwithstanding any provision of Condition 3(f) or Condition 3(g), no rate determined in accordance with Condition 3(f) or Condition 3(g) will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made pursuant to Condition 3(f) or to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Ordinary Notes as eligible liabilities or loss absorbing capacity instruments in accordance with the Loss Absorption Regulations or the Tier 2 Notes as Tier 2 Capital in accordance with the Capital Regulations.

## 4 Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in respect of definitive Notes in a Specified Currency (other than euro or Renminbi) will be made at the option of the bearer either by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency

drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively);

- (ii) payments in respect of definitive Notes in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in respect of definitive Notes in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or agreements to which the Issuer or any of the Paying Agents agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6.

(b) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes (if issued) will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender of such definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made, at the option (if any such option is specified under paragraph (a) above) of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. No payment in respect of any definitive Note or Coupon will be made upon presentation and surrender of such definitive Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturing Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any missing unmaturing Coupon (or, in the case of payment not being made in full, the same proportion of the full amount of such missing unmaturing Coupon as the sum so paid bears to the total sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time thereafter but before the expiry of ten years after the Relevant Date (as defined in Condition 6) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive form becomes due and repayable, all unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note

which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable, against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which such global Note is presented for the purpose of making such payment or in the records of (in the case of a global Note representing Notes other than CMU Notes) Euroclear and Clearstream, Luxembourg or (in the case of a global Note representing CMU Notes) the CMU Service.

The holder of a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

The holder of a global Note held by or on behalf of the CMU Operator shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Payments of principal or interest (if any) in respect of such global Note will be made to the persons for whose account a particular nominal amount of Notes represented by such global Note is credited as being held by the CMU Operator at the relevant time, as notified to the CMU Lodging and Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of any Paying Agent in the United States (which expression, as used in this Condition 4, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest due on the Notes in the manner provided above when due;
- (ii) payment in U.S. dollars of the full amount of such due principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences for the Issuer.

(c) *Payment Date*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Date, the holder thereof shall not be entitled to payment of the amount due until the next following Payment Date in the relevant place and shall not be entitled to any interest or other payment in respect of such delay. For these purposes, "**Payment Date**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars shall be Sydney and Melbourne, if the Specified Currency is New Zealand dollars, shall be Auckland, and which, if the Specified Currency is Renminbi, shall be Hong Kong or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) in the case of Ordinary Notes, any additional amounts which may be payable with respect to principal under Condition 6 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(f)); and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

In this Condition, "**euro**" has the meaning as is given to it in Condition 3(c)(i).

(e) *CNY Currency Event*

If "CNY Currency Event" is specified in the applicable Final Terms and a CNY Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer may, in its sole and absolute discretion, take the action described in (i), (ii) and/or (iii) below:

- (i) the relevant payment by the Issuer may be postponed to a day falling no later than 5 Business Days after the date on which the CNY Currency Event ceases to exist or, if such payment would not be possible (as determined by the Issuer acting in good faith) as soon as reasonably practicable thereafter;
- (ii) the Issuer's obligation to make a payment in CNY under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (selected by the Issuer and converted at the Alternate Settlement Rate as of a time selected by the Calculation Agent); and/or
- (iii) give notice to the Noteholders in accordance with Condition 12 and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 12 stating the occurrence of the CNY Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 4(e) and unless stated otherwise in the applicable Final Terms:

**"Alternate Settlement Rate"** means the spot rate, determined by the Calculation Agent, between CNY and the Relevant Currency, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market within the PRC);

**"CNY Currency Events"** means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility;

**"CNY Illiquidity"** means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer and/or any of its affiliates cannot obtain sufficient CNY in order to make a payment or perform any other of its obligations under the Notes, as determined by the Calculation Agent;

**"CNY Inconvertibility"** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to convert any amount into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date at the general CNY exchange market in Hong Kong, other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer or the relevant affiliate, to comply with such law, rule or regulation);

**"CNY Non-Transferability"** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible, impracticable or illegal for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer and/or the relevant affiliate, to comply with such law, rule or regulation);

**"Governmental Authority"** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; and

"**Relevant Currency**" means United States dollars, Hong Kong dollars or such other currency as may be specified in the applicable Final Terms.

## 5 Redemption and Purchase

### (a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Ordinary Notes and Tier 2 Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

### (b) *Redemption for Tax Reasons*

The Notes of any Series (or in the case of subparagraph (iii), the Tier 2 Notes of any Series) may, subject to the provisions of Condition 5(j) or Condition 5(k), as applicable, be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with Condition 5(f) below), if:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 6 in respect of any of the Notes of such Series;
- (ii) the payment of interest in respect of any of the Notes of such Series would be a "**distribution**" or would otherwise not be deductible (in whole, or to a material extent) for United Kingdom tax purposes (or the deduction would be materially deferred);
- (iii) in respect of Tier 2 Notes only, the Issuer would not, as a result of the Tier 2 Notes of such Series being in issue, be able, to any material extent, to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist); or
- (iv) a future conversion into equity or write-down of the principal amount of the Notes of such Series would result in:
  - (A) a United Kingdom tax liability, or the receipt of income or profit which would be subject to United Kingdom tax; or
  - (B) the Notes of such Series or any part thereof being treated as a derivative or an embedded derivative for United Kingdom tax purposes,

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue (or, in the case of Tier 2 Notes, on or after the Issue Date of) the first Tranche of Notes of that Series and provided that:

- (A) the effect of such change or amendment cannot be avoided by the Issuer taking reasonable steps available to it;

(B) in the case of a redemption of Notes other than Tier 2 Notes as a result of the circumstances described in (iv) above, such change or amendment was not reasonably foreseeable as at the Issue Date of the first Tranche of the Notes of that Series; and

(C) such notice of redemption shall not be given earlier than 90 days prior to the earliest date on which the relevant circumstances described in paragraphs (i) to (iv) above would occur.

Upon the expiration of such notice, the Issuer shall be bound to redeem such Notes at their Early Redemption Amount.

Before the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that a condition for redemption pursuant to this Condition 5(b): (i) has occurred and (ii) (in the case of Ordinary Notes only) is continuing as at the date of the certificate, and the Trustee shall accept such certificate as sufficient evidence of such occurrence, in which event it shall be conclusive and binding on the Noteholders.

This Condition 5(b) shall only apply in the case of Ordinary Notes to the extent not prohibited by the Loss Absorption Regulations or in the case of Tier 2 Notes to the extent not prohibited by the Capital Regulations.

(c) *Redemption Due to Capital Disqualification Event<sup>1</sup>*

If the applicable Final Terms specify that this Condition 5(c) applies, then, any Series of Tier 2 Notes may, subject to the provisions of Condition 5(j), be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if the Issuer determines that a Capital Disqualification Event has occurred.

Upon the expiration of such notice, the Issuer shall be bound to redeem such Notes at their Early Redemption Amount (as determined in accordance with Condition 5(f) below).

This Condition 5(c) shall only apply in the case of Tier 2 Notes to the extent not prohibited by the Capital Regulations.

As used in this Condition 5(c), a "**Capital Disqualification Event**" shall be deemed to have occurred if, as a result of any amendment to, or change in the regulatory classification of the Notes of any Series of Tier 2 Notes under, the Capital Regulations (or official interpretation thereof), in any such case becoming effective on or after the Issue Date of the first Tranche of Notes, the whole or any part of the Notes of such Series of Tier 2 Notes are, or are likely to be, excluded from Tier 2 Capital of the Issuer and/or the Regulatory Group (as defined in Condition 5(m)).

(d) *Call Option – Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to redeem the Notes of any Series, the Issuer may, subject to the provisions of Condition 5(j) or Condition 5(k), as applicable, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Agent and the Noteholders of that Series in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, or (if so specified in the Final Terms) some only, of the Notes of such Series then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional

<sup>1</sup> Not applicable to Ordinary Notes.



Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not greater than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes of any Series, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot at such place and in such manner as the Issuer may approve and deem fair and reasonable, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of, in the case of Notes other than CMU Notes, Euroclear and/or Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service (to be reflected in the records of, in the case of Notes other than CMU Notes, Euroclear and Clearstream, Luxembourg or, in the case of CMU Notes, the CMU Service as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, not more than 60 days or such other period specified in the applicable Final Terms prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will (unless otherwise specified in the applicable Final Terms) be published in accordance with Condition 12 not less than the minimum period and not more than the maximum period specified in the applicable Final Terms prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (d) and notice to that effect shall (unless otherwise specified in the applicable Final Terms) be given by the Issuer to the Noteholders of the relevant Series in accordance with Condition 12 at least 10 days or such other period specified in the applicable Final Terms prior to the Selection Date.

(e) *Redemption Due to Loss Absorption Disqualification Event<sup>2</sup>*

If the applicable Final Terms specify that this Condition 5(e) applies, then any Series of Ordinary Notes may, subject to the provisions of Condition 5(k), be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if the Issuer determines that a Loss Absorption Disqualification Event has occurred and is continuing.

Upon the expiration of such notice, the Issuer shall be bound to redeem such Notes at their Early Redemption Amount (as determined in accordance with Condition 5(f) below).

As used in this Condition 5(e), a "**Loss Absorption Disqualification Event**" shall be deemed to have occurred if as a result of any amendment to, or change in, or replacement of, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the first Tranche of the Notes, the Notes are or (in the opinion of the Issuer, the PRA or the Resolution Authority) are likely to be fully or partially excluded from the Issuer's and/or the Regulatory Group's (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations as applicable to the Issuer and/or the Regulatory Group; provided that, a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Regulatory Group.

Before the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the condition for redemption pursuant to this Condition 5(e) has occurred and is continuing as at the date of

<sup>2</sup> Only applicable to Ordinary Notes.

the certificate, and the Trustee shall accept such certificate as sufficient evidence of such occurrence, in which event it shall be conclusive and binding on the Noteholders.

(f) *Early Redemption Amounts*

For the purpose of paragraphs (b), (c) and (e) above and Condition 8, the Notes of any Series will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:
  - (A) the Reference Price specified in the applicable Final Terms; and
  - (B) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and payable; or
- (iv) if and to the extent not taken into account in paragraphs (i) to (iii) above, adding (if appropriate) interest accrued to the date fixed for redemption.

(g) *Purchases*

The Issuer or any of its subsidiaries or affiliates may, subject to the provisions of Condition 5(j) or Condition 5(k), as applicable, at any time purchase beneficially or procure others to purchase beneficially for its account Notes of any Series (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are purchased therewith) in the open market, by tender or by private treaty. Notes purchased or otherwise acquired by the Issuer or any of its subsidiaries or affiliates may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation (together with (in the case of definitive Notes) any unmatured Coupons attached thereto or purchased therewith).

This Condition 5(g) shall apply to the extent purchases of Ordinary Notes or Tier 2 Notes, as the case may be, are not prohibited by the Loss Absorption Regulations or the Capital Regulations, respectively.

(h) *Cancellation*

All Notes which are redeemed or purchased or otherwise acquired as aforesaid and surrendered to the Agent for cancellation will forthwith be cancelled (together, in the case of definitive Notes, with all matured Coupons attached thereto or surrendered therewith at the time of redemption) and thereafter may not be re-issued or resold.

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

(j) *Purchase and Redemption of Tier 2 Notes*

Tier 2 Notes may only be purchased pursuant to Condition 5(g) or (in the case only of redemption prior to the relevant Maturity Date) redeemed by the Issuer pursuant to Condition 5(b), Condition 5(c) or Condition 5(d), in each case, provided that (except to the extent that the Capital Regulations no longer so require):

- (x) the Issuer has given such notice to the PRA as the PRA may then require before it becomes committed to such a purchase or such a redemption and the PRA has granted permission for the Issuer to make such redemption or repurchase and any other requirements of the Capital Regulations and/or the PRA applicable to such purchases or redemptions at the time have been complied with by the Issuer; and
- (y) in respect of any redemption proposed to be made pursuant to Condition 5(b) or 5(c) only, and except to the extent that the Capital Regulations no longer so require, the Issuer may only redeem the Notes before five years after the Issue Date of the first Tranche of such Notes if, in addition to the condition set out in (x) above, the Issuer demonstrates to the satisfaction of the PRA that the circumstance that entitles it to exercise such right of redemption (A) was not reasonably foreseeable as at the Issue Date of the first Tranche of the Notes; (B) in the case of any redemption under Condition 5(b), is material; and (C) in the case of any redemption under Condition 5(c), the PRA considers the change in the regulatory classification of the Notes to be sufficiently certain.

(k) *Purchase and Redemption of Ordinary Notes*

Ordinary Notes may only be purchased pursuant to Condition 5(g) or (in the case only of redemption prior to the relevant Maturity Date) redeemed by the Issuer pursuant to Condition 5(b), Condition 5(d) or Condition 5(e), in each case, provided that (except to the extent that the Loss Absorption Regulations no longer so require) the Issuer has given such notice to the Resolution Authority as the Resolution Authority may then require before it becomes committed to such a purchase or such a redemption and the Resolution Authority has granted permission for the Issuer to make such purchase or redemption and any other requirements of the Loss Absorption Regulations and/or the Resolution Authority applicable to such purchases or redemptions at the time have been complied with by the Issuer.

(l) *Interpretation*

In relation to CMU Notes, references in this Condition 5 to the Agent shall be deemed to be to the CMU Lodging and Paying Agent.

(m) *Definitions*

As used in these Terms and Conditions:

**"Capital Regulations"** means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy of the United Kingdom, the PRA and/or of the European Parliament or of the Council of the European Union (including, without limitation, as to leverage) then in effect in the United Kingdom, as applicable to the Issuer or the Regulatory Group, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the PRA from time to time (whether or not such

requirements, guidelines or policies are applied generally or specifically to the Issuer or to the Regulatory Group (as defined below)) including, at the date hereof, CRD;

"**CRD**" means, taken together, (i) the CRD Directive and (ii) the CRD Regulation;

"**CRD Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (including as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019) and as further amended or replaced by any successor directive and/or any Loss Absorption Regulations or Capital Regulations, as the case may be, applicable in the United Kingdom;

"**CRD Regulation**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (including as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 to the extent then in application) and as further amended or replaced by any successor regulation and/or any Loss Absorption Regulations or Capital Regulations, as the case may be, applicable in the United Kingdom;

"**Loss Absorption Regulations**" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom, the PRA, the Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the United Kingdom, as applicable to the Issuer or the Regulatory Group, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the PRA and/or the Resolution Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Regulatory Group);

"**Regulatory Group**" means the Issuer, its subsidiary undertakings, participations, participating interests and any subsidiary undertakings, participations or participating interests held (directly or indirectly) by any of its subsidiary undertakings from time to time and any other undertakings from time to time consolidated with the Issuer for regulatory purposes, in each case in accordance with the rules and guidance of the PRA then in effect; and

"**Resolution Authority**" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the recovery and/or resolution of the Issuer and/or the Regulatory Group.

## **6 Taxation**

All payments of principal and/or interest in respect of Notes and/or Coupons by or on behalf of the Issuer shall (save as may be provided in the applicable Final Terms) be made without withholding or deduction for, or on account of, any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (in the case of Notes and/or Coupons, in respect of the payment of any interest in respect of such Notes and/or Coupons only (but not in respect of the payment of any principal in respect of such Notes)) as will result (after such withholding or deduction) in receipt by the holders of the Notes or Coupons of the sums which would have been receivable (in the absence of such

withholding or deduction) by them in respect of their Notes and/or Coupons; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) held by or on behalf of any holder who is liable to such tax, duty, assessment or charge in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; and/or
- (b) presented for payment in the United Kingdom; and/or
- (c) in circumstances where such withholding or deduction would not be required if the holder or any person acting on his behalf had obtained and/or presented any form or certificate or had made a declaration of non residence or similar claim for exemption upon the presentation or making of which the holder would have been able to avoid such withholding or deduction; and/or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days.

For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future official interpretations thereof or regulations with respect to such Sections, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay additional amounts on account of any FATCA Withholding Tax.

The "**Relevant Date**" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received (in the case of Notes other than CMU Notes) in London by the Agent or the Trustee or (in the case of CMU Notes) in Hong Kong by the CMU Lodging and Paying Agent or the Trustee, in either case on or prior to such due date) the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Noteholders in accordance with Condition 12.

## **7 Prescription**

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6) therefor. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 7 or Condition 4(b) or any Talon which would be void pursuant to Condition 4(b).

## **8 Events of Default**

- (a) If default shall be made in the payment of any principal or interest due on the Notes of the relevant Series for a period of seven days or more after any date on which the payment of principal is due or 14 days or more after any date on which the payment of interest is due (as the case may be) the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings for the winding up of the Issuer and/or prove in any Winding Up or Qualifying Procedure of the Issuer, but may take no other action in respect of such default.
- (b) If an order is made or an effective resolution is passed for the Winding Up or a Qualifying Procedure of the Issuer, the Trustee may, and if so requested in writing by the holders of at least one fifth in nominal amount of the Notes of the relevant Series then outstanding or if so directed by an Extraordinary

Resolution of the Noteholders of any such Series then outstanding shall (if it shall have been indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (in the case of any Tier 2 Notes, subject to Condition 2(b)(ii)).

*For the avoidance of doubt, any resolution action or moratorium pursuant to the Banking Act 2009, as amended, which does not constitute a Winding-up or Qualifying Procedure shall not permit the Trustee or the Noteholders to declare the Notes due and payable.*

- (c) Without prejudice to paragraph (a) or (b) above, if the Issuer breaches any of its obligations under the Trust Deed or the Notes or Coupons of the relevant Series (other than any payment obligation of the Issuer under or arising from the Trust Deed or the Notes or Coupons of the relevant Series, including, without limitation, payment of any principal or interest in respect of the Notes and Coupons and any damages awarded for breach of any obligations) then the Trustee may, subject as provided below, at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum sooner than the same would otherwise have been payable by it. Nothing in this Condition 8 shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer and/or proving in any Winding Up or Qualifying Procedure of the Issuer in respect of any payment obligations of the Issuer arising from such Notes, Coupons or the Trust Deed (including any damages awarded for breach of any such obligations).
- (d) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (c) above to enforce the obligations of the Issuer in respect of the Notes and the Coupons of any such Series or any other action pursuant to or in connection with the Trust Deed or the Notes or the Coupons of any Series unless (x) it shall have been so directed by an Extraordinary Resolution of the Noteholders of such Series or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes of such Series then outstanding and (y) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all costs, charges, liabilities and expenses which may be incurred by it in connection with such enforcement, including the costs of its management's time and/or other internal resources, calculated in accordance with its normal hourly rates in force from time to time.
- (e) No Noteholder or Couponholder of such Series shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails to do so within 60 days and such failure shall be continuing and then only in the name of the Trustee and on giving an indemnity satisfactory to the Trustee, and only to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. No Noteholder or Couponholder of such Series shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in a Winding Up or Qualifying Procedure, except that if the Trustee, having become bound to proceed directly against the Issuer, fails to do so within 60 days or, being able to prove, fails to do so within 60 days in such Winding Up or Qualifying Procedure and such failure shall be continuing, then any Noteholder or Couponholder of such Series may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute proceedings for the winding up of the Issuer and/or prove in such Winding Up or Qualifying Procedure to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

## **9 Replacement of Notes, Coupons and Talons**

Should any Note (including any global Note), Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of (in the case of Notes other than CMU Notes) the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Agent or (in the case of CMU Notes) the CMU Lodging and Paying Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **10 Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) so long as any Notes are listed on any stock exchange or admitted to listing by any other relevant listing authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or relevant listing authority;
- (b) there will at all times be a Paying Agent with a specified office in a city in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated;
- (c) so long as there are any CMU Notes outstanding, there will at all times be a CMU Lodging and Paying Agent; and
- (d) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 12.

If for any reason the Calculation Agent defaults in its obligations with respect to determining such Rate(s) of Interest and/or Interest Amounts, the Issuer may forthwith (without requiring the consent of the Trustee or Noteholders) terminate the appointment of, and replace, the Calculation Agent solely for the purposes of such determinations, in which event notice thereof shall be given to the Trustee and the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

In acting under the Agency Agreement, the Agent and the other Paying Agents will act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee, and do not assume any obligations or relationships of agency or trust to or with the Noteholders and Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders and Couponholders to repay Notes and pay interest thereon) funds received by the Agent and any other Paying Agent for the payment of any sums due in respect of the Notes shall be held by them in trust for the Noteholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 7. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer without being liable to account to the Noteholders or Couponholders for any resulting profit.

## **11 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may (subject to Condition 7) be surrendered at the specified office of (in the case of Notes other than CMU Notes) the Agent, (in the case of CMU Notes) the CMU Lodging and Paying Agent or, in any case, any other Paying Agent outside the United States in exchange for a further Coupon sheet, including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## 12 Notices

All notices regarding the Notes of any Series shall be validly given if published in a leading English language daily newspaper of general circulation (in the case of Notes other than CMU Notes) in London (which is expected to be the *Financial Times*) or (in the case of CMU Notes) in Hong Kong (which is expected to be the *South China Morning Post*). Any such notice will be deemed to have been given on the date of such publication in such leading newspaper or, if published more than once, on the date of the first publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes of any Series in accordance with this Condition 12. If the giving of notice as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

So long as no definitive Notes are in issue in respect of a particular Series, there may, so long as the global Note(s) for such Series is or are held in its or their entirety on behalf of (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) to the CMU Lodging and Paying Agent for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to (in the case of Notes other than CMU Notes) Euroclear and/or Clearstream, Luxembourg or (in the case of CMU Notes) to the CMU Lodging and Paying Agent.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, including publication on the website of the relevant stock exchange or relevant authority if required by those rules.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent (in the case of Notes other than CMU Notes) or the CMU Lodging and Paying Agent (in the case of Notes which are CMU Notes). Whilst any Notes (other than CMU Notes) are represented by a global Note, such notice may be given by a Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose. Whilst any CMU Notes are represented by a global Note, such notice may be given by a Noteholder to the CMU Lodging and Paying Agent via the CMU Service in such manner as the CMU Lodging and Paying Agent and the CMU Service may approve for this purpose.

## 13 Enforcement and Remedies

### (a) *Enforcement*

Save as otherwise provided herein and without prejudice to Condition 8, only the Trustee may pursue the remedies available under the general law or under the Trust Deed to enforce the rights of holders of Notes and Couponholders and no holder of a Note or Couponholder shall be entitled to take proceedings directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within 60 days and such failure is continuing.

### (b) *No other remedies*

No remedy against the Issuer, other than as referred to in Condition 8, shall be available to the Trustee, any Noteholder or any Couponholder (i) for the recovery of amounts owing in respect of or arising under the Trust Deed, such Notes or the relative Coupons or (ii) in respect of the breach of any other term or condition or other obligation binding on the Issuer under or in respect of the Trust Deed, such Notes or the relative Coupons.



## **14 Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor**

The Trust Deed contains provisions for convening meetings of Noteholders (or the holders of the Notes of any one or more Series) (including by way of conference call using an audio or videoconference platform) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Terms and Conditions of any one or more Series or the provisions of the Trust Deed. Such a meeting may be convened by the Trustee, the Issuer or the Trustee upon the request of Noteholders holding not less than ten per cent. in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being remaining outstanding. The quorum at any such meeting convened to consider a resolution proposed as an Extraordinary Resolution is two or more persons holding or representing a clear majority in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) whatever the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding so held or represented, except that at any meeting the business of which includes the modification of certain of the Terms and Conditions of any one or more Series (including postponing the date of maturity of such Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, or varying the method of calculating the rate of interest or reducing the minimum or maximum rate of interest on the Notes (other than as permitted in the Terms and Conditions of any one or more Series, altering the currency of payment of such Notes and the Coupons relating thereto or modifying the majority required to pass an Extraordinary Resolution)) or certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than two thirds, or at any adjourned such meeting not less than one third, in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding. An Extraordinary Resolution in writing or duly passed at any meeting of the Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) shall be binding on all the Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series), whether or not they are present at the meeting, and on all holders of Coupons relating to the relevant Notes.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution may consist of several instruments in the like form each executed by or on behalf of one or more Noteholders.

- (a) The Trustee may agree, without the consent of the Noteholders or Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series), to:
  - (i) any modification of the Terms and Conditions of any one or more Series or of the provisions of the Trust Deed which in its opinion is not materially prejudicial to the interests of the Noteholders or Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series); or
  - (i) any modification of the Notes (or, as the case may be, the Notes of the relevant one or more Series), the Coupons relating thereto or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.
- (b) In addition, the Trustee shall be obliged to concur with the Issuer in using reasonable endeavours to effect such modifications to the Trust Deed, the Agency Agreement and these Terms and Conditions as may be required in order to give effect to Condition 3(f) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 3(f) and/or any Benchmark Replacement Conforming Changes in accordance with Condition 3(g), in each

case, without the requirement for the consent or sanction of the Noteholders or Couponholders (provided, however, that the Trustee shall not be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it).

Any such modification shall be binding on the Noteholders and the Couponholders (or, as the case may be, the holders of the Notes or Coupons of the relevant one or more Series) and, unless the Trustee agrees otherwise and subject to Condition 3(f), any such modification shall be notified to the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series) in accordance with Condition 12 as soon as practicable thereafter. No modification of these conditions insofar as it relates to the Terms and Conditions of any Series of Ordinary Notes shall be effected without the prior notification to, and receiving no objection from and/or receiving the consent of, the Resolution Authority (in each case solely to the extent then required). No modification of these conditions insofar as it relates to the Terms and Conditions of any Series of Tier 2 Notes shall be effected without prior notification to, and receiving no objection from and/or receiving the consent of, the PRA (in each case solely to the extent then required).

The Trustee may also waive or authorise any breach or proposed breach of the Terms and Conditions of the Notes of any Series or the provisions of the Trust Deed in relation to such Notes which, in its opinion, is not materially prejudicial to the interests of the Noteholders of the relevant Series.

The Trustee may also agree, subject to the conditions set out in the immediately following sentence and to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders of the relevant Series of Notes, to the substitution of the Holding Company or of a subsidiary of the Issuer or of a Successor in Business (as defined in the Trust Deed) in place of the Issuer as principal debtor under the Notes and the Coupons of any Series and under the Trust Deed in relation to such Notes and Coupons. Such agreement shall only be granted if, *inter alia*, the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders and the Couponholders of such Series.

No such substitution shall be effected in relation to (i) any Series of Ordinary Notes without prior notification to, and receiving no objection from and/or receiving the consent of, the Resolution Authority (in each case solely to the extent then required); or (ii) any Series of Tier 2 Notes without prior notification to, and receiving no objection from and/or receiving the consent of, the PRA (in each case solely to the extent then required).

In connection with the exercise by it of any of its trusts, power, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders of the relevant Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders of that Series (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent provided for in Condition 6 (and/or any obligations undertaken in addition thereto or in substitution therefor pursuant to the Trust Deed).

## **15 Further Issues**

The Issuer shall be at liberty from time to time without the consent of the relevant Noteholders or Couponholders to create and issue further notes having terms and conditions the same as (or the same in all

respects save for the Issue Date, Interest Commencement Date and Issue Price), and so that the same shall be consolidated and form a single Series with, the outstanding Notes of a particular Series.

## **16 Indemnification**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any of its subsidiaries without accounting for any profit resulting therefrom and to act as Trustee for the holders of any other securities issued by the Issuer.

## **17 Calculation Agent determination**

All discretions exercised and calculations and determinations made in respect of the Notes by the Calculation Agent shall be made in its sole and absolute discretion and in good faith and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Trustee, the Noteholders and the Couponholders.

## **18 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **19 Governing Law and Submission to Jurisdiction**

The Trust Deed, the Agency Agreement, the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law, except that the provisions of (i) Condition 2(a)(ii) (and related provisions of the Trust Deed) relating to set-off and netting of the Ordinary Notes and (ii) Condition 2(b) (and related provisions of the Trust Deed) relating to subordination and set-off and netting of the Tier 2 Notes, are governed by, and shall be construed in accordance with, Scots law.

The Issuer has submitted to the jurisdiction of the English courts in the Trust Deed.

## **20 Recognition of UK Bail-in Power**

### **(a) *Agreement and acknowledgement with respect to the exercise of the UK Bail-in Power***

Notwithstanding and to the exclusion of any other term of any Series or any other agreements, arrangements, or understandings between the Issuer and any Noteholder (or the Trustee on behalf of the Noteholders), by its acquisition of Notes, each Noteholder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of any UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, agrees to be bound by, and consents, to the exercise of any UK Bail-in Power by the Resolution Authority which may result in:

- (i) the reduction of all, or a portion, of the Amounts Due;
- (ii) the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations);
- (iii) the cancellation of the Notes; and/or

- (iv) the amendment or alteration of the maturity of the Notes, or amendment of the amount of interest due on the Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period,

which UK Bail-in Power may be exercised by means of amendment, modification or variation of the terms of the Notes solely to give effect to the exercise by the Resolution Authority of such UK Bail-in Power.

(b) *Variation of rights*

Each Noteholder further acknowledges and agrees that the rights of the Noteholders are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any UK Bail-in Power by the Resolution Authority.

(c) *Payment of Amounts Due*

No repayment or payment of Amounts Due on the Notes shall become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the United Kingdom and the European Union applicable to the Issuer and the Group.

(d) *Rescission of Redemption*

If the Issuer has elected to redeem the Notes but prior to the payment of the redemption amount with respect to such redemption the Resolution Authority exercises its UK Bail-in Power with respect to the Notes, the relevant redemption notices shall be automatically rescinded and shall be of no force and effect, and no payment of the redemption amount will be due and payable.

(e) *No Event of Default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of any UK Bail-in Power by the Resolution Authority with respect to the Notes shall constitute an Event of Default (as defined in the Trust Deed) or a default for any purpose.

(f) *Notice*

Upon the exercise of any UK Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall provide a written notice to the Trustee and the Principal Paying Agent as soon as practicable regarding such exercise of the UK Bail-in Power and give notice of the same to Noteholders in accordance with Condition 12. Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and enforceability of any UK Bail-in Power.

(g) *Definitions*

For these purposes:

- (i) "**Amounts Due**" are the principal amount, together with any accrued but unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Resolution Authority; and
- (ii) a "**UK Bail-in Power**" is any write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer

or other members of the Group, including but not limited to any such laws, regulations, rules or requirements which are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (notwithstanding that the UK is no longer a member state of the European Union) and/or within the context of a UK resolution regime under the Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the UK Financial Services (Banking Reform) Act 2013, secondary legislation or otherwise), pursuant to which any obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, modified, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligations may be deemed to have been exercised.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer to fund its general banking business. If, in respect of a particular issue, there is a particular identified use of proceeds, for example the funding of Eligible Projects, this will be stated in the applicable Final Terms.

NatWest Group has developed a Green, Social and Sustainability Bond Framework (the "**Framework**") with the aim to attract dedicated funding for loans and investment that bring a positive environment or social impact. The Framework provides a clear and transparent set of criteria to enable investments which support the transition to a lowcarbon economy or bring positive social benefits, and create long-term value for our stakeholders.

The Framework dated October 2020 can be accessed at:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/green-social-and-sustainability-bonds/gss-bond-framework-oct-2020.pdf>

In connection with the Framework, NatWest Group has appointed a sustainability specialist, Sustainalytics B.V., to issue an opinion confirming that the Framework is credible, impactful and it is aligned with the International Capital Market Association Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines (the "**Second Party Opinion**"), which can be accessed at:

<https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/green-social-and-sustainability-bonds/second-party-opinion-oct-2020.pdf>

If so specified in the applicable Final Terms, the Issuer will allocate an amount of funding equivalent to the net proceeds from the relevant Tranche of Notes to finance and/or refinance, in whole or in part, Eligible Green Loans and/or Eligible Social Loans originated by NatWest Group up to 36 months prior to the Green, Social or Sustainable Bonds issuance date. In addition, borrowers must not be engaged in any business activity described in Appendix 1 of the Framework (Excluded Sectors). The categories below constitute Green and Social Loan Eligibility Criteria.

NatWest Group intends that Eligible Projects financed or refinanced by any Green, Social or Sustainability Bond will belong to the following categories:

*(i) Eligible Green Loans*

- a) Renewable Energy* – loans aimed at financing the equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources.
- b) Pollution Prevention and Control* - loans aimed at financing technologies and operations supporting the reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy.
- c) Green Buildings* – loans aimed at financing green buildings, which meet regional, national or internationally recognised standards or certifications.
- d) Clean Transportation* - loans aimed at financing technologies and operations supporting the transition to low carbon means of transportation. This would also include loans to infrastructure projects that would reduce the circulation of cars, as well as the manufacturing of infrastructure components.

*(ii) Eligible Social Loans*

- a) Female-Owned Business Lending* - Financing/refinancing to Small and Medium size enterprises ("**SMEs**") where at least one of the owners of the enterprise is a woman.

- b) *Access to Essential Services* - Financing/refinancing of loans that enhance access to essential services (e.g. healthcare & education) including activities involving the development, expansion or acquisition of buildings, facilities, or equipment relating to:
- Infrastructure for hospitals, laboratories, clinics, healthcare and hospices that are affiliated with the NHS, part of the NHS trust, or are more broadly accessible to the whole public.
  - Infrastructure for the provision of childcare and child, youth or adult education and vocational training services which are broadly accessible to the whole public.
- c) *Affordable Housing* - Financing/refinancing of loans that provide greater access to affordable housing in the UK in accordance to accredited or registered affordable housing definitions, or contributes to enhanced access for low income residents or marginalised communities, as defined in the Framework.
- d) *SME Lending* – financing/refinancing of loans to SMEs with geo-scoring of areas with high unemployment/low income, with potential targeting of specific sectoral activity codes, as further described in the Framework.

For the avoidance of doubt, neither the Framework nor the Second Party Opinion are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Prospectus.

## DESCRIPTION OF THE ISSUER

NatWest Group is a public limited company incorporated in Scotland with registration number SC045551 and was incorporated under Scots law on 25 March 1968. NatWest Group is the holding company of a large banking and financial services group.

Headquartered in Edinburgh, the Group operates in the United Kingdom and internationally through its principal subsidiaries, NatWest Markets and NatWest. The Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The Group changed its name from The Royal Bank of Scotland Group plc to NatWest Group plc on 22 July 2020. The change of name was intended to align the Group name with the brand under which the majority of the Group's businesses are currently delivered.

### Ring-Fencing

Further information regarding the Group's ring-fencing structure can be found in the 2019 Annual Report and Accounts of the Group, including at page 50 (under the heading "RBS Group ring-fencing") of the 2019 Annual Report and Accounts of the Group (as referred to in, and incorporated by reference into, this Prospectus).

### Legal Proceedings

For a description of the material governmental, legal or arbitration proceedings that NatWest Group and the Group face, see: (i) the section entitled "Litigation, investigations and reviews" in the "Notes" at pages 256 to 261 of the 2019 Annual Report and Accounts of the Group; (ii) the section entitled "Litigation, investigations and reviews" in the "Notes" at pages 27 to 28 of the Group Q1 2020 IMS; (iii) the section entitled "Litigation, investigations and reviews" in the "Notes" at pages 99 to 105 of the Group Interim Results 2020; and (iv) the section entitled "Litigation, investigations and reviews" in the "Notes" at page 33 of the Group Q3 2020 IMS, each as referred to in, and incorporated by reference into, this Prospectus.

### Directors and Corporate Governance

The directors and the secretary of NatWest Group, whose business address is Gogarburn, PO Box 1000, Edinburgh EH12 1HQ, United Kingdom, their functions within the Group and their principal activities outside the Group (if any) of significance to the Group are as follows:

Name	Functions within the Group	Principal outside activity (if any) of significance to the Group
<b>Chairman</b>		
Howard Davies	Chairman	Currently serves as Independent director of Prudential plc and chair of the Risk Committee, member of the Regulatory and Compliance Advisory Board of Millennium Management LLC, Chair of the International Advisory Council of the China Securities Regulatory Commission and Member of the International Advisory Council of the China Banking Regulatory Commission. Was Deputy Governor of the Bank of England from 1995 to 1997 and Chairman of the UK Financial Services Authority from 1997 to 2003. Was Director of the London School of Economics and Political Science from 2003 until May 2011. Is also Professor of Practice at the Paris Institute of Political Science (Sciences Po). Was chair of the



Name	Functions within the Group	Principal outside activity (if any) of significance to the Group
<b>Executive Directors</b>		
Alison Rose	Chief Executive	<p>UK Airports Commission between 2012 and 2015 and is also the author of several books on financial subjects.</p> <p>Is a Non-executive Director of Great Portland Estates plc, Chair of the McLaren / Deloitte Advisory Council and sits on the board of Coutts Charitable Foundation. Has worked at the Group for 27 years and, prior to her current role, was Deputy CEO of NatWest Holdings and CEO of the Commercial and Private Banking business. Previous roles also include Head of Europe, Middle East and Africa, Markets &amp; International Banking and Global Head of International Banking Capital and Balance Sheet.</p> <p>At the invitation of the UK Government, launched The Rose Review in March 2019 and also champions NatWest's Entrepreneur Accelerator programme,</p>
Katie Murray	Chief Financial Officer	<p>Joined the Group as Director of Finance in November 2015 and was appointed as Deputy Chief Financial Officer in March 2017, then Chief Financial Officer in January 2019. Has worked in Finance and Accounting for nearly 30 years with experience in capital management, investor relations, financial planning and all areas of financial services. Previously the Group Finance Director for Old Mutual Emerging Markets from 2011-2015, having held various roles across Old Mutual from 2002. Prior to this worked at KPMG for 13 years.</p>
<b>Non-Executive Directors</b>		
Mark Seligman	Senior Independent Director	<p>Currently senior independent director of Kingfisher plc and a non-executive director of Smiths Group plc. He has previously served as a non-executive director of BG Group plc and as deputy chairman of G4S plc. During his executive career, has held various senior roles at Credit Suisse/BZW (including deputy chairman, CSFB Europe and chairman, UK Investment Banking, CSFB) and previously SG Warburg (ultimately as managing director, head of advisory).</p>
Frank Dangeard	—	<p>Currently serves as a non-executive director of RPX Corporation and of Symantec Corporation.</p>

Name	Functions within the Group	Principal outside activity (if any) of significance to the Group
Alison Davis	—	<p>Previously served as a non-executive director of Crédit Agricole CIB, EDF, Home Credit, Orange, Sonaecom SGPS, and as Deputy Chairman of Telenor ASA. Held various senior roles at Thomson S.A., including Chairman and Chief Executive Officer, and was Deputy Chief Executive Officer of France Telecom. Prior to that he was Chairman of SG Warburg France, having been a Managing Director of SG Warburg in London and Madrid.</p> <p>Currently serves as non-executive director and member of the audit and compensation committee of Unisys Corporation. Currently non-executive director and member of the audit committee of Fiserv Inc. and non-executive director and chair of the audit committee of Ooma Inc. Former director of City National Bank, First Data Corporation, Xoom and Diamond Foods. Previously, chair of the board and non-executive director of LECG Corporation. Previously worked at McKinsey and Company, AT Kearney and as chief financial officer of Barclays Global Investors (now Blackrock) and managing partner of Belvedere Capital.</p>
Patrick Flynn	—	<p>Chief Financial Officer and a member of the Executive Board of ING Group from April 2009 to May 2017. Prior to that was Chief Financial Officer of HSBC South America from 2002 to 2007 where he was responsible for HSBC's banking and insurance operations. Chief Financial Officer of HSBC Insurance from 2007 to 2009. Has served as a non-executive director on the boards of two listed former ING subsidiary entities, Voya Financial Inc (US) and NN Group NV (Netherlands). Was also the chairman of the audit committee of NN Group NV subsequent to its IPO.</p>
Morten Friis	—	<p>Currently a director of the Harvard Business School Club of Toronto and the Canadian Institute for Advanced Research, and a non-executive director of Jackson National Life Insurance Company. Held various roles at Royal Bank of Canada and its subsidiaries including Associate Director at Orion Royal Bank, Vice President, Business Banking and Vice President, Financial Institutions. In 1997, he was appointed as Senior Vice President, Group Risk Management and served as the Chief Credit Officer then Chief Risk Officer from 2004 to 2014. Formerly a director of RBC Bank (USA), RBC</p>

<b>Name</b>	<b>Functions within the Group</b>	<b>Principal outside activity (if any) of significance to the Group</b>
Robert Gillespie	—	<p>Dexia Investor Services Trust, RBC Life Insurance Company and Westbury Life Insurance Company.</p> <p>Currently an independent board director at Ashurst LLP and chairman of the Council at the University of Durham, and Chairman of the Boat Race Company Limited. Director of Social Finance Limited. Formerly Director General of the UK Panel on Takeovers and Mergers from 2010 to 2013, as a secondment from Evercore Partners. Former vice chairman of UBS Investment Bank, after holding a number of senior management roles in UBS.</p>
Mike Rogers	—	<p>Non-executive chairman of Aegon UK and Chairman of Experian plc. Joined Barclays in 1986 where he undertook a variety of roles in the UK and overseas across business banking, wealth management and retail banking. Was Managing Director of Small Business, Premier Banking and UK Retail Banking and was latterly Chief Executive of Liverpool Victoria Group for 10 years.</p>
Dr Lena Wilson CBE	—	<p>Currently a director of Intertek Group plc and Scottish Power Renewables Limited. Previously Chief Executive of Scottish Enterprise from November 2009 until October 2017, having previously held the roles of Chief Operating Officer, Chief Executive Officer, Scottish Development International (Scotland's international trade and investment arm) and Senior Director, Customer Relations. Prior to that was Senior Investment Advisor to The World Bank in Washington DC, and has served as a member of Scotland's Financial Services Advisory Board and as Chair of Scotland's Energy Jobs Taskforce. A visiting Professor at the University of Strathclyde and an ambassador for The Prince &amp; Princess of Wales Hospice (Glasgow) and the Edinburgh Military Tattoo. Served on the Board of the Prince's Scottish Youth Business Trust for 10 years and received a CBE in June 2015 for her services to economic development in Scotland.</p>
Yasmin Jetha	—	<p>Non-executive director of Nation Media Group Limited and Guardian Media Group. Was Chief Information Officer at Bupa and Chief Information Officer and then Chief Operating Officer at the Financial Times. Previously worked at Abbey</p>

Name	Functions within the Group	Principal outside activity (if any) of significance to the Group
<b>Chief Governance Officer and Company Secretary</b>		National PLC for nearly 20 years, latterly serving as an executive director on the board. Vice Chair of the Board of Governors at University of Bedfordshire from 2008 to 2011, Vice Chair of the National Committee of the Aga Khan Foundation (UK) Ltd, a non-denominational charity for over ten years until April 2017. Fellow of the Chartered Institute of Management Accountants. Awarded an honorary Doctor of Laws degree by the University of Leicester in 2005 and made an honorary Fellow of the University of Bedfordshire in 2011.
Jan Cargill	Company Secretary	—

The Directors' Conflicts of Interests policy sets out procedures to ensure that each board's management of conflicts of interest and its powers for authorising certain conflicts are operating effectively. On appointment, each director is provided with the Group's guidelines for referring conflicts of interest to the board of directors. Each director is required to notify the board of any actual or potential situational or transactional conflicts of interest and to update the board with any changes to the facts and circumstances surrounding such conflicts.

Situational conflicts can be authorised by the board of directors in accordance with the Companies Act 2006 and the Issuer's articles of association. The board of directors considers each request for authorisation on a case by case basis and has the power to impose conditions or limitations on any authorisation granted as part of the process.

Details of all directors' conflicts of interest are recorded in a register which is maintained by the Chief Governance Officer and Company Secretary and reviewed annually by the board of directors.

Except as set out above, no potential conflicts of interest exist between any duties to NatWest Group of the Directors listed above and their private interests and/or other duties.

## UNITED KINGDOM TAXATION

*The comments below are of a general nature and relate to certain United Kingdom tax implications for persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of person (such as dealers and persons connected with the Issuer). The comments relate only to withholding tax on payments of interest in respect of the Notes and do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They are not intended to be exhaustive or to constitute tax advice. The comments address the position under current United Kingdom tax law and published practice of HM Revenue and Customs ("**HMRC**") (which may not be binding on HMRC). The United Kingdom tax treatment of prospective holders of Notes depends on their individual circumstances and may be subject to change in the future, sometimes with retrospective effect. In addition, prospective holders of Notes should be aware that the particular terms of issue of any series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and other series of Notes. Prospective holders of the Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek independent professional advice. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### United Kingdom Withholding Tax on Interest

#### 1. Withholding tax on Notes

Payments of interest made in respect of Notes which carry a right to interest and which are and continue to be listed on a "recognised stock exchange" (as defined in section 1005 of the Income Tax Act 2007 (the "**Act**")) for the purposes of section 987 of the Act) or admitted to trading on a "multilateral trading facility" operated by a recognised stock exchange regulated in the UK or EEA (within the meaning of section 987 of the Act) may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning and in accordance with the provisions of Part 6 of the FSMA) by the FCA and are admitted to trading on the Market. Provided, therefore, that the Notes carry a right to interest and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom income tax where such Notes have a maturity of less than 365 days from the date of issue and are not issued under arrangements or form part of a scheme of borrowing, the effect of which is to render such Notes part of a borrowing with a total term which is capable of being 365 days or more.

#### 2. All Notes

Subject to the following or the availability of any other exemption or relief, in other cases falling outside the exemptions described in 1 above, an amount must generally be withheld from payments of interest on Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

**3. Discounts and other returns**

If Notes are issued at a discount to their principal amount, any such discount element is not generally subject to any United Kingdom withholding tax. If Notes are redeemed at a premium to their principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to United Kingdom withholding tax rules.

**4. General**

The references to "**interest**" and "**discount**" above mean "interest" and "discount" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

**5. Substitution**

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

## CERTAIN OTHER TAXATION CONSIDERATIONS

### **The Proposed Financial Transactions Tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission Proposal**") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the "**participating Member States**") and Estonia. Estonia has since stated that it will not participate.

The Commission Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission Proposal the FTT could apply in certain circumstances to persons both within and outside the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 26 November 2020, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Ordinary and Tier 2 Notes" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### **Selling Restrictions**

#### **(a) United States of America**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each Dealer to which it sells Notes during the distribution compliance period, as defined in Regulation S under the Securities Act, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### **(b) United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of issue, (x) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (y) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the



meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA), with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**(c) European Economic Area and United Kingdom**

If the Final Terms or Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or Pricing Supplement in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

**(d) Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) (or any other supplement to this Prospectus) otherwise provides, it:

- (i) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or any Notes in Australia,

unless:

- (a) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency, and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (b) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;
- (c) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act); and
- (d) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

**(e) Japan**

Each Dealer has represented that it understands, and each further Dealer appointed under the Programme will be required to represent that it understands, that the Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**(f) Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

**(g) The People's Republic of China**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered or sold directly or indirectly within the PRC. This Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Prospectus, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies, and complying with all relevant PRC

regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

**(h) France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified, the Prospectus, the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to the Notes.

**(i) Singapore**

Each Dealer has acknowledged that it understands, and each further Dealer appointed under the Programme will be required to acknowledge that it understands, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or

- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

**(j) Switzerland**

The offering of the Notes in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because either the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more or the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

**(k) General**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Prospectus, any other offering material or any Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor.

None of the Issuer, the Dealers and the Trustee represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## FORM OF FINAL TERMS

Final Terms dated [date]

NatWest Group plc

Legal entity identifier (LEI): 213800509XJIN4JPN90

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £40,000,000,000

Euro Medium Term Note Programme

**[MiFID II Product Governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/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 Directive 2014/65/EU (as amended, "**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 manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA AND UK 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 (the "**EEA**") or in the United Kingdom (the "**UK**"). 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**")]/[MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [Excluded Investment Products] / [Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 26 November 2020 [and the supplemental Prospectus[es] dated [•]][and [•]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented] in order to obtain all the relevant information. 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 Prospectus. The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Prospectus dated [original date] [and the supplemental Prospectus[es] dated

[•][and [•]] which are incorporated by reference in the Prospectus dated 26 November 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Prospectus dated 26 November 2020 [and the supplemental Prospectus[es] dated [•][and [•]]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation in order to obtain all the relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Conditions, these Final Terms and the Prospectus dated 26 November 2020 [and the supplemental Prospectus[es] dated [•][and [•]]]. The Prospectus [and the supplemental Prospectus[es]] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

1	Issuer:	NatWest Group plc
2	[(i)] Series Number:	[•]
	[(ii)] Tranche Number:	[•]
	[(iii)] Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [•]/[other]]/[Not Applicable]]
3	Specified Currency or Currencies:	[•] [CNY Currency Event] [Relevant Currency: USD/HKD/[•]]
4	Aggregate Nominal Amount:	[•]
	[(i)] Series:	[•]
	[(ii)] Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6	(i) Specified Denominations:	[•] [and integral multiples of [•] in excess thereof up to and including [•]. No notes in definitive form will be issued with a denomination above [•]]
	(ii) Calculation Amount:	[•]
7	[(i)] Issue Date:	[•]
	[(ii)] Interest Commencement Date:	[•]
8	Maturity Date:	[•]
9	Interest Basis:	[[•] per cent. Fixed Rate] [Reset Notes] [[GBP/EUR/USD/CHF/JPY][LIBOR]][EURIBOR] [BBSW][BKBW][SHIBOR][HIBOR] [CNH HIBOR] [SOR][SIBOR][TIBOR][CDOR][STIBOR][NIBOR] [SOFR][SONIA]+/- [•] per cent. Floating Rate] [Zero Coupon]
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount
11	Change of Interest Basis:	[•]/Not Applicable

- 12 Issuer Call Option: [Applicable/Not Applicable]
- 13 (i) Status of the Notes: [Ordinary Notes]/[Tier 2 Notes]
- (ii) [Date [Board] approval for [•]]  
issuance of Notes obtained:

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

- 14 Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 14(vii)]
- (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount][Not Applicable]
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[RBA Bond Basis]
- (vi) Determination Dates: [•] in each year
- (vii) Business Day Convention: [Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
- (viii) Business Centre(s): [•]
- 15 Reset Note Provisions: [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) First Margin: [+/-][•] per cent. per annum
- (iii) Subsequent Margin: [[+/-][•] per cent. per annum] [Not Applicable]
- (iv) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date[[in each case,] subject to adjustment in accordance with paragraph 15(xvii)]
- (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[•] per Calculation Amount][Not Applicable]
- (vi) Broken Amount(s): [[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
- (vii) First Reset Date: [•][subject to adjustment in accordance with paragraph 15(xvii)]
- (viii) Subsequent Reset Date(s): [•] [and [•]] [subject to adjustment in accordance with paragraph 15(xvii)]
- (ix) Reset Reference Rate: [Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
- (x) Initial Reference Rate: [[•]/Not Applicable]
- (xi) Reset Determination Time: [•]
- (xii) Relevant Screen Page: [[•]/Not Applicable]

(xiii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
(xiv) Mid-Swap Maturity	[[•]/Not Applicable]
(xv) Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[RBA Bond Basis]
(xvi) Determination Dates:	[•] in each year
(xvii) Business Day Convention:	[Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
(xviii) Business Centre(s):	[•]
(xix) Calculation Agent (if not National Westminster Bank plc):	[•]/[Not Applicable]
(xx) Original Mid-Swap Rate Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
(xxi) Initial Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
[– Initial Mid-Swap Rate:	[•] per cent.]
(xxii) Reset Period Maturity Initial Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
[– Reset Period Maturity Initial Mid-Swap Rate:	[•] per cent.]
(xxiii) Last Observable Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
(xxiv) Subsequent Reset Rate Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
(xxv) Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
16 Floating Rate Note Provisions:	[Applicable/Not Applicable]
(i) Interest Period(s)/Specified Interest Payment Dates:	[•]
(ii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(iii) Business Centre(s):	[•]
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(v) Calculation Agent (if not National Westminster Bank plc):	[•]/[Not Applicable]
(vi) Screen Rate Determination:	
– Reference Rate:	[• month] [[GBP / EUR / USD / CHF / JPY] LIBOR] [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA]



– Interest Determination Date(s):	<p>[Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period]</p> <p>[First day of each Interest Period]</p> <p>[Second day on which the TARGET 2 System is open prior to the start of each Interest Period]</p> <p>[the date falling two Business Days prior to the first day of such Interest Period]</p> <p>[[•] Business Day[s] prior to the start of each Interest Period]</p> <p>[[•] Business Day[s] prior to the end of each Interest Period or, if earlier, prior to the date on which the Notes are redeemed]<sup>3</sup></p>
– Relevant Screen Page:	[•]
– Calculation Method:	[Weighted Average/Compounded Daily/Index Determination]
– Compounded Index:	[SONIA Compounded Index/SOFR Compounded Index/Not Applicable]
– Observation Method:	[Lag/Lock-out/Observation Shift/Not Applicable]
– Observation Look-back Period:	[•]/Not Applicable <sup>4</sup>
– ARRC Fallbacks:	[Applicable]/[Not Applicable] – <i>applicable if SOFR is the Reference Rate only</i>
– D:	[365/360/[•]]
– Relevant Decimal Place:	[five/seven/[•]]
(vii) ISDA Determination:	
– Floating Rate Option:	[•]
– Designated Maturity:	[•]
– Reset Date:	[•]
– ISDA Benchmarks Supplement:	[Applicable/Not Applicable]
(viii) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Rate of Interest:	[•] per cent. per annum
(xi) Maximum Rate of Interest:	[•] per cent. per annum

<sup>3</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent.

<sup>4</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

(xii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) RBA Bond Basis]
17 Zero Coupon Note Provisions:	[Applicable/Not Applicable]
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
<b>PROVISIONS RELATING TO REDEMPTION</b>	
18 Notice periods for Condition 5(b):	Minimum period: [•] days Maximum period: [•] days
19 Redemption for Capital Disqualification Event:	[Applicable/Not Applicable]
Notice periods for Condition 5(c):	[Minimum period: [•] days Maximum period: [•] days]/[Not Applicable]
20 Issuer Call:	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s):	[•] per Calculation Amount
(iii) Redeemable in part:	[Yes][No]
(iv) If redeemable in part:	
(a) Minimum Redemption Amount:	[•]
(b) Maximum Redemption Amount:	[•]
(v) Notice periods:	Minimum period: [•] days Maximum period: [•] days
(vi) Selection Date:	[60 days prior to the date fixed for redemption]/[•] days prior to the date fixed for redemption]
(vii) Publication of list of serial numbers for Notes in definitive form:	[Minimum period: [•] days Maximum period: [•] days] [Not Applicable]
(viii) Notification of period in relation to exchange of global Note:	[Not Applicable] / [[•] days prior to the Selection Date / 10 days prior to the Selection Date]
21 (i) Redemption for Loss Absorption Disqualification Event:	Condition 5(e): [Applicable/Not Applicable]
(ii) Notice periods for Condition 5(e):	[Minimum period: [•] days Maximum period: [•] days]
22 Final Redemption Amount:	[•] per Calculation Amount
23 Early Redemption Amount payable on redemption (a) for tax reasons or (b)	[As per Condition 5(f)/[•] per Calculation Amount]

following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Notes) or (c) following the occurrence of a Loss Absorption Disqualification Event (in the case of Ordinary Notes) or (d) on an event of default:

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 24 Form of Notes:

(a) Form:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on and after the Exchange Date on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon the occurrence of an Exchange Event/in the limited circumstances set out in the Permanent Global Note]]

(b) NGN:

[Yes][No]

(c) CMU Notes:

[Yes][No]

### 25 Additional Financial Centre(s):

[Not Applicable/[•]]

### 26 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No/[•]]

### 27 Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:

[TEFRA D/TEFRA C/TEFRA rules not applicable]

### 28 Relevant Benchmark[s]:

[[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation]/[The transitional provisions in Article 51 (*Transitional provisions*) of the Benchmark Regulation apply such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]/[Not Applicable]

### **THIRD PARTY INFORMATION**

[[•] has been extracted from [source]. NatWest Group plc (as Issuer) confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of NatWest Group plc:

By: \_\_\_\_\_  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from [•]]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from [•]]
- (ii) Estimate of total expenses relating to admission to trading: [•]

### 2 RATINGS

- Ratings: [The Notes to be issued have not been rated.]  
[The Notes to be issued [have been rated] [are expected to be rated]:  
[S&P Global Ratings Europe Limited: [•]]  
[Moody's Investors Service Limited: [•]]  
[Fitch Ratings Limited: [•]]  
[Japan Credit Rating Agency, Ltd.: [•]]  
*[For Notes with a different credit rating to the Issuer include disclosure as to ratings definitions.]*

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."] [•]]

### 4 REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

- Reasons for the offer: [•]/[An amount of funding equivalent to the net proceeds of the issue of the Notes (as at the Issue Date) will be allocated as funding for Eligible Projects.]/[See "Use of Proceeds" in the Prospectus.]
- Estimated net proceeds: [•]

### 5 [Fixed rate and reset notes only – YIELD]

- Indication of yield: [•]  
Calculated as [•] on the Issue Date.  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6 [Floating rate notes only – HISTORIC INTEREST RATES]

Details of historic [[GBP / EUR / USD / CHF / JPY] LIBOR] [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] rates can be obtained from [Reuters].]

### 7 OPERATIONAL INFORMATION

- (i) ISIN: [•]
- (ii) Common Code: [•]
- (iii) CMU Instrument Number: [•]

- |  |   |
|--|---|
| (iv) Clearing System:  | [Euroclear Bank SA/NV and Clearstream Banking S.A./Central Moneymarkets Unit Service]   |
| (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable/[•]]  |
| (vi) Delivery:   | Delivery [against/free of] payment  |
| (vii) Names and addresses of additional Paying Agent(s) (if any):  | [•]/[Not Applicable]  |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility:   | <p>[Yes] [No]</p> <p>[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositories 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]</p> <p>[Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]</p> |

## FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [date]

NatWest Group plc

Legal entity identifier (LEI): 213800509XJIN4JPN90

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £40,000,000,000

Euro Medium Term Note Programme

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF THE NOTES DESCRIBED BELOW AND THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED HEREIN.**

**[MiFID II Product Governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/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 Directive 2014/65/EU (as amended, "**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 manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]/[*other appropriate target market legend to be included*].

**[PROHIBITION OF SALES TO EEA AND UK 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 (the "**EEA**") or in the United Kingdom (the "**UK**"). 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**")]/[MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [Excluded Investment Products] /

[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Prospectus dated 26 November 2020 [and the supplemental Prospectus(es) dated [date] [and [date]]] ([together,] the "**Prospectus**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus. The full information that has been provided on the Issuer and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Prospectus.]

[The Prospectus [and the supplemental Prospectus(es)] [is][are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] [and the supplemental Prospectus(es) dated [date] [and [date]]] ([together,] the "**Original Prospectus**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus dated 26 November 2020 [and the supplemental Prospectus(es) dated [date] [and [date]]] ([together,] the "**Prospectus**"), save in respect of the Conditions which are extracted from the Original Prospectus and are incorporated by reference in the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Conditions, this Pricing Supplement and the Prospectus.]

[The Prospectus [and the supplemental Prospectus(es)] [is][are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]*

- 1 Issuer: NatWest Group plc
- 2 [(i)] Series Number: [•]  
 [(ii)] Tranche Number: [•]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
- [(iii)] Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [•] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [•]/[other]]/[Not Applicable]]
- 3 Specified Currency or Currencies: [•]  
 [CNY Currency Event]  
 [Relevant Currency: USD/HKD/[•]]



*(N.B. CNY Currency Event and Relevant Currency apply to Notes denominated in Renminbi only. A Calculation Agent will also need to be specified for such Notes.)*

- 4 Aggregate Nominal Amount: [•]  
 [(i)] Series: [•]  
 [(ii)] Tranche: [•]
- 5 Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] (*in the case of fungible issues only, if applicable*)
- 6 (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•]. No notes in definitive form will be issued with a denomination above [•]]  
*(Note – Although NatWest Group may issue Notes with a denomination of less than €100,000 or equivalent, where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*  
*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*  
*(If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency).*
- (ii) Calculation Amount: [•]  
*(If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- 7 [(i)] Issue Date: [•]  
 [(ii)] Interest Commencement Date: [•]
- 8 Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
- 9 Interest Basis: [[•] per cent. Fixed Rate]  
 [Reset Notes]  
 [[GBP / EUR / USD / CHF / JPY] LIBOR]  
 [EURIBOR] [BBSW] [BKBW] [SHIBOR]

- [HIBOR] [CNH HIBOR] [SOR] [SIBOR]  
[TIBOR] [CDOR] [STIBOR] [NIBOR]  
[SOFR] [SONIA] [*specify other reference rate*] +/- [•] per cent. Floating Rate]  
[Zero Coupon]  
[*(specify other)*]  
(Further particulars specified below)
- 10 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount  
[*(specify other)*]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for change of Notes into another interest or redemption/payment basis*]
- 12 Issuer Call Option: [Applicable/Not Applicable]
- 13 (i) Status of the Notes: [Ordinary Notes]/[Tier 2 Notes]
- (ii) [Date [Board] approval for issuance of Notes obtained: [•]]  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

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

- 14 Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate(s) of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 14(viii)]
- (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount] [Not Applicable]  
(*Applicable to Notes in definitive form*)
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[RBA Bond Basis]/[*specify other*]
- (vi) Determination Dates: [•] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant*)

	where Day Count Fraction is Actual/Actual (ICMA))
(vii) Other terms relating to method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
(viii) Business Day Convention:	[Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
(ix) Business Centre(s):	[•]
15 Reset Note Provisions:	[Applicable/Not Applicable]
(i) Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
(ii) First Margin:	[+/-][•] per cent. per annum
(iii) Subsequent Margin:	[[+/-][•] per cent. per annum] [Not Applicable]
(iv) Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date[[in each case,] subject to adjustment in accordance with paragraph 15(xvii)]
(v) Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[•] per Calculation Amount][Not Applicable]
(vi) Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
(vii) First Reset Date:	[•][subject to adjustment in accordance with paragraph 15(xvii)]
(viii) Subsequent Reset Date(s):	[•] [and [•]] [subject to adjustment in accordance with paragraph 15(xvii)]
(ix) Reset Reference Rate:	[Mid-Swap Rate/Sterling Reference Bond Rate/Non-Sterling Reference Bond Rate/U.S. Treasury Rate]
(x) Initial Reference Rate:	[[•]/Not Applicable]
(xi) Reset Determination Time:	[•]
(xii) Relevant Screen Page:	[[•]/Not Applicable]
(xiii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate/Not Applicable]
(xiv) Mid-Swap Maturity	[[•]/Not Applicable]
(xv) Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[RBA Bond Basis]
(xvi) Determination Dates:	[•] in each year <i>(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant</i>

	<i>where Day Count Fraction is Actual/Actual (ICMA))</i>
(xvii) Business Day Convention:	[Modified Following Business Day Convention [[unadjusted]/[adjusted]]/Not Applicable]
(xviii) Business Centre(s):	[•]
(xix) Calculation Agent (if not National Westminster Bank plc):	[•]/[Not Applicable]
(xx) Original Mid-Swap Rate Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
(xxi) Initial Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
[- Initial Mid-Swap Rate:	[•] per cent.]
(xxii) Reset Period Maturity Initial Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
[- Reset Period Maturity Initial Mid-Swap Rate:	[•] per cent.]
(xxiii) Last Observable Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
(xxiv) Subsequent Reset Rate Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
(xxv) Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback:	[Applicable/Not Applicable]
16 Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Interest Period(s)/Specified Interest Payment Dates:	[•]
(ii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ <i>specify other</i> ]
(iii) Business Centre(s):	[•]
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination/ <i>specify other</i> ]
(v) Calculation Agent (if not National Westminster Bank plc):	[•]/[Not Applicable]
(vi) Screen Rate Determination:	
— Reference Rate:	[• month] [[GBP / EUR / USD / CHF / JPY] LIBOR] [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR]

	[CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] [ <i>specify other</i> ]
— Interest Determination Date(s):	<p>[Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period]</p> <p>[First day of each Interest Period]</p> <p>[Second day on which the TARGET 2 System is open prior to the start of each Interest Period]</p> <p>[the date falling two Business Days prior to the first day of such Interest Period (<i>In respect of the Reference Rate being CNH HIBOR</i>)]</p> <p>[[•] Business Day[s] prior to the start of each Interest Period]</p> <p>[[•] Business Day[s] prior to the end of each Interest Period or, if earlier, prior to the date on which the Notes are redeemed]</p> <p>[<i>specify other</i>]<sup>5</sup></p>
— Relevant Screen Page:	[•] ( <i>In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately</i> )
— Calculation Method:	[Weighted                      Average/Compounded Daily/Index Determination]
— Compounded Index:	[SONIA      Compounded      Index/SOFR Compounded Index/Not Applicable]
— Observation Method:	[Lag/Lock-out/Observation              Shift/Not Applicable]
— Observation Look-back Period:	[•]/Not Applicable <sup>6</sup> ( <i>Required unless Observation Method is specified as "Lock-out"</i> )
— ARRC Fallbacks:	[Applicable]/[Not Applicable] – <i>applicable if SOFR is the Reference Rate only</i>
— D:	[365/360/[•]] ( <i>365 is generally selected for SONIA and 360 is generally selected for SOFR</i> )
— Relevant Decimal Place:	[five/seven/[•]] ( <i>unless otherwise specified in the Final Terms, this will be the fifth decimal place in the case of the SONIA</i> )

<sup>5</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR, without the prior agreement of the Agent.

<sup>6</sup> The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

*Compounded Index or where Weighted Average or Compounded Daily is specified as Calculation Method and the seventh decimal place in the case of the SOFR Compounded Index)*

- (vii) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [+/-][•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)  
RBA Bond Basis  
(*specify other*)]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
- 17 Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (i) Accrual Yield: [•] per cent. per annum
  - (ii) Reference Price: [•]
  - (iii) Any other formula/basis of determining amount payable: [•]

## **PROVISIONS RELATING TO REDEMPTION**

- 18 Notice periods for Condition 5(b): Maximum period: [•] days  
Minimum period: [•] days
- 19 Redemption for Capital Disqualification Event: [Applicable/Not Applicable]

Notice periods for Condition 5(c):	<p>[Minimum period: [•] days Maximum period: [•] days]/[Not Applicable]</p> <p><i>(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)</i></p>
20 Issuer Call:	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p>
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount:	[•] per Calculation Amount
(iii) Redeemable in part:	[Yes][No]
(iv) If redeemable in part:	
(A) Maximum Redemption Amount:	[•]
(B) Maximum Redemption Amount:	[•]
(v) Notice periods:	<p>Minimum period: [•] days Maximum period: [•] days</p> <p><i>(N.B. When setting notice periods the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)</i></p>
(vi) Selection Date:	[60 days prior to the date fixed for redemption]/[•] days prior to the date fixed for redemption]
(vii) Publication of list of serial numbers for Notes in definitive form:	<p>[Minimum period: [•] days Maximum period: [•] days]</p>
(viii) Notification period in relation to exchange of global Note:	[Not Applicable] / [[•] days prior to the Selection Date / 10 days prior to the Selection Date]
21 (i) Redemption for Loss Absorption Disqualification Event:	Condition 5(e): [Applicable/Not Applicable]
(ii) Notice periods for Condition 5(e):	<p>[Minimum period: [•] days Maximum period: [•] days]</p>

- 22 Final Redemption Amount: ☐ per Calculation Amount/*specify other/see Appendix*
- 23 Early Redemption Amount payable on redemption (a) for tax reasons or (b) following the occurrence of a Capital Disqualification Event (in the case of Tier 2 Notes) or (c) following the occurrence of a Loss Absorption Disqualification Event (in the case of Ordinary Notes) or (d) on an event of default: ☐ As per Condition 5(f)/☐ per Calculation Amount/*specify other*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 24 Form of Notes:

#### (a) Form:

#### Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on and after the Exchange Date on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon the occurrence of an Exchange Event/in the limited circumstances set out in the Permanent Global Note]]

*[N.B. If Limited Exchange Event applies, insert details and a new form of Permanent Global Note needs to be executed]*

*(N.B. The exchange upon notice at any time option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

#### (b) NGN:

☐ Yes ☐ No

*(As at the date of this Prospectus, the Notes are not eligible to be eligible collateral for*



*European monetary policy and intra-day credit operations but if this changes and the Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note must be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a "yes" election is made in the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".)*

(c) CMU Notes:

[Yes][No]

*(If the Notes are intended to be cleared through the Central Moneymarkets Unit Service, CMU Notes should be specified.)*

25 Additional Financial Centre(s):

[Not Applicable/[•]]

26 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No/[•]]

27 Other final terms or special conditions:  
*(consider if additional risk factors are required)*

[Not Applicable/give details]

## **DISTRIBUTION**

28 (i) If syndicated, names and addresses of Managers and underwriting commitments:

[Not Applicable/give names, addresses and underwriting commitments]

(ii) Date of [Syndication] Agreement:

[•]

(iii) Stabilising Manager(s) (if any):

[Not Applicable/give name]

29 If non-syndicated, name and address of Dealer:

[Not Applicable/give name and address]

30 [Total commission and concession:

[•] per cent. of the Aggregate Nominal Amount]

31 Additional selling restrictions:

[Not Applicable/give details]

32 Whether TEFRA D/TEFRA C rules applicable or TEFRA rules not applicable:

[TEFRA D/TEFRA C/TEFRA rules not applicable]

## **PURPOSE OF THE PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue [and] [admission to trading on [specify relevant market]] of the Notes described herein pursuant to the £40,000,000,000 Euro Medium Term Note Programme of NatWest Group plc.

### **THIRD PARTY INFORMATION**

[[•] has been extracted from [source]. NatWest Group plc (as Issuer) confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of NatWest Group plc:

By: \_\_\_\_\_  
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING

Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant market] with effect from [•]] [Not Applicable]  
(Where documenting a fungible issue, indicate that original securities are already admitted to trading.)

### 2 RATINGS

Ratings: [The Notes to be issued have not been rated.]  
[The Notes to be issued [have been rated] [are expected to be rated]:  
[S&P Global Ratings Europe Limited: [•]]  
[Moody's Investors Service Limited: [•]]  
[Fitch Ratings Limited: [•]]  
[Japan Credit Rating Agency, Ltd.: [•]]  
[For Notes with a different credit rating to the Issuer include disclosure as to ratings definitions.]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."] [•]]

### 4 [REASONS FOR THE OFFER

[•]/[An amount of funding equivalent to the net proceeds of the issue of the Notes (as at the Issue Date) will be allocated as funding for Eligible Projects.] / [See "Use of Proceeds" in the Prospectus.]  
(See "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

### 5 [Fixed rate and reset notes only – YIELD

Indication of yield: [•]  
Calculated as [include details of method of calculation in summary form] [•] on the Issue Date.  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6 [Floating rate notes only – HISTORIC INTEREST RATES

Details of historic [[GBP / EUR / USD / CHF / JPY] LIBOR] [EURIBOR] [BBSW] [BKBM] [SHIBOR] [HIBOR] [CNH HIBOR] [SOR] [SIBOR] [TIBOR] [CDOR] [STIBOR] [NIBOR] [SOFR] [SONIA] rates [repo rates for Renminbi with a maturity of seven days][other] can be obtained from [Reuters].]

### 7 OPERATIONAL INFORMATION

(i) ISIN: [•]  
(ii) Common Code: [•]

- |  |   |
|--|---|
| (iii) CMU Instrument Number:   | [•]   |
| (iv) Clearing System:  | [Euroclear Bank SA/NV and Clearstream Banking S.A./Central Moneymarkets Unit Service]   |
| (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable/give name(s) and number(s) [and number(s)]]   |
| (vi) Delivery:   | Delivery [against/free of] payment  |
| (vii) Names and addresses of additional Paying Agent(s) (if any):  | [•]/[Not Applicable]  |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility:   | <p>[Yes] [No]</p> <p>[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] <i>[include this text if "yes" selected in which case the Notes must be issued in NGN form]</i></p> <p>[Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] <i>[include this text if "no" selected]</i></p> |

## GENERAL INFORMATION

### Authorisation

On 13 December 2018, the Board of Directors of NatWest Group approved the delegation to the Chief Financial Officer or the Treasurer (or to any person acting in such capacity) of all acts necessary in respect of external issuances of securities by NatWest Group. The update of the Programme and/or the issue of Notes under the Programme have been duly authorised by an approval of the Group Treasurer or Group Chief Financial Officer (or any person acting in such capacity) dated 25 November 2020.

### Listing

Notes which are admitted to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, upon submission to the FCA and to the Market of the applicable Final Terms, subject only to the issue of the Notes of that Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or about 30 November 2020.

### Issue Price

The issue price and amount of the relevant Notes will be determined before filing of the applicable Final Terms of each Tranche, based on prevailing market conditions.

### Documents Available for Inspection or Collection

For the twelve months from the date of this Prospectus, copies of the following documents will, when available, be available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection at the principal office of the Issuer at Gogarburn, PO Box 1000, Edinburgh EH12 1HQ:

- (i) the up to date constitutional documents of NatWest Group, which are also available at <https://beta.companieshouse.gov.uk>;
- (ii) this Prospectus, any further or supplementary prospectuses relating to the Programme and each of the documents incorporated by reference into this Prospectus and any further or supplementary prospectuses, which is also available at <https://investors.natwestgroup.com/regulatory-news/company-announcements>;
- (iii) the Trust Deed (which contains the forms of the temporary and permanent global Notes, the definitive Notes, the Coupons and the Talons), which is also available at <https://investors.natwestgroup.com/fixed-income-investors/unsecured-securities-documentation/senior-unsecured>;
- (iv) the amended and restated Agency Agreement; and
- (v) any Final Terms in respect of Notes listed on any stock exchange, which is also available at <https://investors.natwestgroup.com/regulatory-news/company-announcements>.

A Paying Agent will be maintained in London throughout the life of the Programme.

Unless otherwise stated in the applicable Final Terms, the Issuer does not intend to provide post-issuance information in connection with any issue of Notes.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on a website does not form part of this Prospectus.

## **Legal Proceedings**

Other than as referred to in the section entitled "Description of the Issuer – Legal Proceedings" in this Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

## **No Significant Change and No Material Adverse Change**

There has been no significant change in the financial position or financial performance of the Group taken as a whole since 30 September 2020 (the end of the last financial period for which the latest unaudited interim financial information of the Group has been published).

Save as disclosed in the section entitled (a) "*Risk Factors related to the Issuer — The direct and indirect effects of the Covid-19 pandemic are having and are likely to continue to have a material adverse impact on RBS Group's business, results of operations and outlook and may affect its strategy, its ability to meet its targets and achieve its strategic objectives*" on pages 29 to 31 in the Group Q1 2020 IMS, (b) "*Financial performance in a challenging environment*" and "*Outlook*" on page 2 in the Group Interim Results 2020 and (c) "*Outlook*" on page 1 and "*Capital and risk management - Credit risk*" on pages 21 to 27 in the Group Q3 2020 IMS, each as referred to in, and incorporated by reference into, this Prospectus, there has been no material adverse change in the prospects of NatWest Group since 31 December 2019 (the last date to which the latest audited published financial information of NatWest Group was prepared).

## **Auditors and Financial Statements**

The consolidated financial statements of NatWest Group for the years ended 31 December 2019 and 31 December 2018 have been audited by Ernst & Young LLP ("EY"), whose address is 25 Churchill Place, Canary Wharf, London E14 5EY. EY is registered with and authorised for regulated activities by the Institute of Chartered Accountants in England and Wales.

The financial information incorporated by reference in this Prospectus in relation to NatWest Group does not constitute NatWest Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the years ended 31 December 2019 and 31 December 2018 to which the financial information in this Prospectus relates have been delivered to the Registrar of Companies in Scotland.

EY has reported on the statutory accounts for the years ended 31 December 2019 and 31 December 2018 and the reports in respect of such years were unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

## **Clearing Systems**

### **Euroclear and Clearstream, Luxembourg**

The Notes (other than the CMU Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The appropriate codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Final Terms.

### **CMU Service**

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the "**HKMA**") for the safe custody and electronic trading between the members of this service (the "**CMU Members**") of capital markets instruments (the "**CMU Instruments**") which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts

as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong. Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike Euroclear and Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the payment or notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are to be credited or notices in respect of the relevant CMU Instruments are to be delivered, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor may hold an interest in any Notes cleared through the CMU Service through an account with either Euroclear or Clearstream, Luxembourg. If that is the case, such investor will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

The current address of the CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street Central, Hong Kong.

### **Other Clearing Systems**

If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be contained in the applicable Final Terms.

### **Credit Ratings**

The information set out below has been extracted from the relevant websites hyperlinked below. NatWest Group confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Fitch, S&P, Moody's and JCR, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with Fitch's ratings definitions available as at the date of this Prospectus on <https://www.fitchratings.com/products/rating-definitions>, a long-term rating of "A" indicates expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. In accordance with such Fitch ratings definitions, a short-term rating of "F1" indicates the strongest intrinsic capacity for timely payment of financial commitments. In accordance with S&P's ratings definitions available as at the date of this Prospectus on [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352), a long-term rating of "BBB" indicates that an obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments. In accordance with such S&P ratings definitions, a short-term rating of "A-2" indicates that an obligor has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category. In accordance with Moody's ratings definitions available as at the date of this Prospectus on <https://www.moody's.com/ratings-process/Ratings-%20Definitions/002002>, a long-term rating of "Baa" indicates obligations that are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. In accordance with such Moody's ratings definitions, a short-term rating of "P-2" indicates a strong ability to repay short-term debt obligations. In accordance with JCR's ratings definitions available as at the date of this Prospectus on

[https://www.jcr.co.jp/en/pdf/dm24/Rating\\_Definition20140106.pdf](https://www.jcr.co.jp/en/pdf/dm24/Rating_Definition20140106.pdf), a long-term rating of "A" indicates a high level of certainty to honour financial obligations.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 2138005O9XJIJN4JPN90.

### **Validity of Prospectus and Prospectus supplements**

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the end of its 12-month validity period.



## THE ISSUER

*Registered Office*

**NatWest Group plc**  
36 St Andrew Square  
Edinburgh  
EH2 2YB

Tel: +44 (0)131 556 8555

*Principal Office*

**NatWest Group plc**  
Gogarburn  
PO Box 1000  
Edinburgh  
EH12 1HQ

Tel: +44 (0)131 626 0000

## THE TRUSTEE

**The Law Debenture Trust Corporation p.l.c.**

Fifth Floor  
100 Wood Street  
London EC2V 7EX

## AGENT

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL

## PAYING AGENT

**The Bank of New York Mellon SA/NV, Luxembourg Branch**

Vertigo Building-Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

## CMU LODGING AND PAYING AGENT

**The Bank of New York Mellon, acting through its Hong Kong Branch**

Level 26, Three Pacific Place  
1 Queen's Road East  
Hong Kong

## LEGAL ADVISERS

*To the Issuer as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

*To the Issuer as to Scottish law*

**CMS Cameron McKenna Nabarro Olswang LLP**  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EN

*To the Dealers and the Trustee as to English law*

**Allen & Overy LLP**

One Bishops Square  
London E1 6AD

## INDEPENDENT PUBLIC ACCOUNTANTS

**Ernst & Young LLP**

Chartered Accountants  
25 Churchill Place  
Canary Wharf  
London E14 5EY

## DEALERS

### **ABN Amro Bank N.V.**

Gustav Mahleraan 10  
1082 PP Amsterdam  
The Netherlands  
Attention: Debt Capital Markets

### **Banco Bilbao Vizcaya Argentaria, S.A.**

Ciudad BBVA  
Calle Saucedo, 28  
Edificio Asia  
28050, Madrid  
Spain  
Attention: DCM - Fixed Income Origination

### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Attention: MTN Desk

### **Crédit Agricole Corporate and Investment Bank**

12, Place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France  
Attention: DCM-Legal Department

### **Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
Attention: DCM Transaction Management

### **Daiwa Capital Markets Europe Limited**

5 King William Street  
London EC4N 7AX  
Attention: Manager, Transaction Management

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB  
Attention: DCM Debt Syndicate

### **ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands  
Attention: DCM Origination

### **J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
Attention: Euro Medium Term Note Desk

### **Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
Attention: EMTN Trading and Distribution Desk

### **Mizuho International plc**

Mizuho House  
30 Old Bailey  
London EC4M 7AU  
Attention: Primary Debt Syndicate

### **Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
Attention: Global Capital Markets – Head of Transaction  
Management Group

### **NatWest Markets Plc**

250 Bishopsgate  
London EC2M 4AA  
Attention: Euro Medium Term Note Desk

### **Nomura International plc**

1 Angel Lane  
London EC4 3AB  
Attention: Fixed Income Syndicate

### **RBC Europe Limited**

100 Bishopsgate  
London EC2N 4AA  
United Kingdom  
Attention: New Issues Syndicate Desk

### **SMBC Nikko Capital Markets Limited**

One New Change  
London EC4M 9AF  
Attention: Legal

**Société Générale**

29 boulevard Haussmann

75009 Paris

France

Attention: Syndicate Desk GLBA/SYN/CAP/BND

**UBS AG London Branch**

5 Broadgate

London EC2M 2QS

Attention: MTN Desk

**The Toronto-Dominion Bank**

60 Threadneedle Street

London EC2R 8AP

United Kingdom

Attention: Head of Syndication and Origination

**UniCredit Bank AG**

Arabellastraße 12

81925 Munich

Germany

Attention: FI/PS Syndicate