

Governance and remuneration

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Our Board

Rick Haythornthwaite Chair

Date of appointment: 8 January 2024 (Board),
15 April 2024 (Chair)



Rick is a highly experienced chair who combines a successful commercial career with a deep knowledge of financial services markets and technology, as well as a strong track record of delivery at significant customer-facing organisations. He has served as Chair of Mastercard Inc, Ocado Group plc, Arc International Holdings, Centrica plc and Network Rail Limited, and was a partner at Star Capital. Rick's past non-executive directorships include Globant S.A., Cookson plc, Lafarge S.A., Land Securities plc and ICI plc. Rick's chair experience extends to SMEs across industry sectors, including a fintech company, an industrial AI company, and a sustainability consultancy. Rick has been responsible for several high-profile business transformations and rescues, including as CEO of Invensys. Rick also led the Haythornthwaite Review of UK Armed Forces Incentivisation.

Rick is currently Chair of AA Limited, Senior advisory partner at Moelis & Co. and Visiting Fellow at the Said Business School, University of Oxford.

Paul Thwaite Group Chief Executive Officer

Date of appointment: 25 July 2023



Paul was appointed Chief Executive Officer in July 2023. Prior to this, he was Chief Executive of the bank's Commercial & Institutional business, bringing together the teams that support NatWest's business customers, ranging from entrepreneurs and start-ups through to multi-nationals and financial institutions. Paul brings strong UK and international expertise in strategic and cultural transformation, scale leadership, balance sheet management and risk, and a sharp focus on customer experience. Throughout his executive and non-executive career, Paul has taken an active role in promoting talent, and building and leading inclusive teams across multiple regions, geographies and disciplines, to deliver performance for customers and wider stakeholders. He has over 30 years' experience in financial services having held senior roles within Wholesale, Corporate, International, Risk and Retail Banking, across the UK, Europe and US.

Paul is currently a Member of the Board of Trustees at the University of Manchester.

Katie Murray Group Chief Financial Officer

Date of appointment: 1 January 2019



Katie has over 30 years' experience in financial services and accounting. She has worked extensively across the UK, Europe and Africa, primarily in the financial services industry; encompassing business transformation, capital management, investor relations, corporate development and financial planning. Katie co-sponsors NatWest's gender strategy and contributes to not-for-profit organisations such as 25x25. She is responsible for NatWest's climate transition plans and is a member of Accounting for Sustainability. Katie was appointed Group Chief Financial Officer of NatWest Group in January 2019, following senior roles as Director of Finance and Deputy CFO. Previously Katie was Group Finance Director for Old Mutual Emerging Markets, based in Johannesburg, having held various roles across Old Mutual from 2002. Katie is a member of The Institute of Chartered Accountants of Scotland.

Katie is currently a non-executive director of Phoenix Group Holdings plc.

Mark Seligman Senior Independent Director

Date of appointment: 1 April 2017 (Board),
1 January 2018 (Senior Independent Director)



Mark brings comprehensive financial services knowledge and substantial FTSE 100 board experience to the Board. A former senior investment banker and boardroom adviser, Mark contributes significant banking and corporate transformation expertise, alongside a range of customer and wider stakeholder engagement skills.

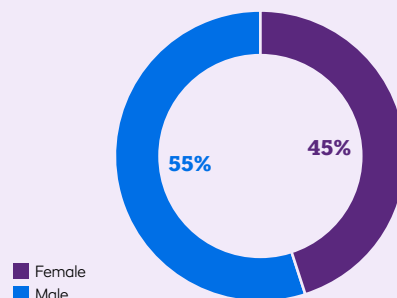
Mark has held various senior roles at Credit Suisse/BZW during his executive career, including Deputy Chairman, CSFB Europe and Chairman, UK Investment Banking, CSFB. Mark has served as a non-executive director across a range of industry sectors, including BG Group plc, as Senior Independent Director of Kingfisher plc, and as Deputy Chairman of G4S plc. He has significant experience of chairing committees and as a Senior Independent Director.

Mark is currently Senior Independent Director of Smiths Group plc and Chair and trustee of The Brooklands Museum.

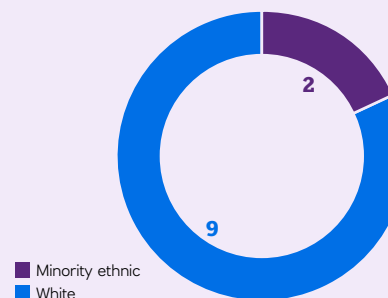
Board composition dashboard as at 31 December 2024⁽¹⁾

(1) As at 31 December 2024 there were 11 directors on the Board.

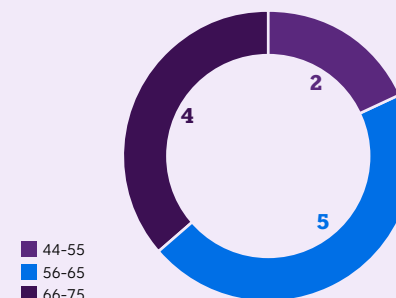
Sex



Ethnicity



Age range



Our Board continued

Frank Dangeard

Independent non-executive director

Date of appointment: 16 May 2016



Frank is a former investment banker and technology company CEO with substantial global board expertise. Frank's experience also encompasses key areas including customer experience, stakeholder engagement, ESG and risk. Frank's role as Chair of NatWest Markets Plc enables him to bring a unique perspective to Board debate. During his executive career, Frank held various 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 and Managing Director of SG Warburg. Frank has also held several non-executive roles at Crédit Agricole CIB, EDF, Home Credit, Orange, Sonaecom SGPS and Arqiva Group Limited. He was also Deputy Chairman and acting Chairman of Telenor ASA.

Frank is currently Chair of Gen Digital Inc., and a non-executive director of IHS Holding Limited and the Competition & Markets Authority. He is also Chair of the Advisory Board of STJ Advisors.

Roisin Donnelly

Independent non-executive director

Date of appointment: 1 October 2022



Roisin brings extensive customer, marketing and branding experience to the Board as a result of her long executive career at Procter & Gamble where she was most recently Chief Marketing Officer for Procter & Gamble Northern Europe. She has a strong background in digital transformation and data and has significant experience of developing ESG strategies at board level. Roisin has previously served on several listed company boards, including HomeServe plc, Just Eat plc, Holland and Barrett Limited, and Bourne Leisure Limited. Roisin is NatWest Group's Consumer Duty Board Champion, and Chair of the NatWest Group Colleague Advisory Panel, which provides a valuable link to colleague and customer issues.

Roisin is currently non-executive director of Premier Foods plc and of The Sage Group plc; non-executive advisor of the Internet Advertising Bureau; member of the Digital Advisory Board, Coca-Cola Europacific Partners plc; and a Trustee of The British Heart Foundation.

Patrick Flynn

Independent non-executive director

Date of appointment: 1 June 2018



Patrick has significant retail and commercial banking experience, gained through an extensive executive career in the banking and insurance sectors. He has a background in complex organisational restructuring and technology transformation, alongside significant financial knowledge and expertise.

Patrick was the Chief Financial Officer and a member of the Executive Board of ING Group for over eight years until May 2017. Prior to that, he worked for HSBC for 20 years. Patrick is a Fellow of Chartered Accountants Ireland.

Patrick is currently Senior Independent Director of Aviva plc.

Geeta Gopalan

Independent non-executive director

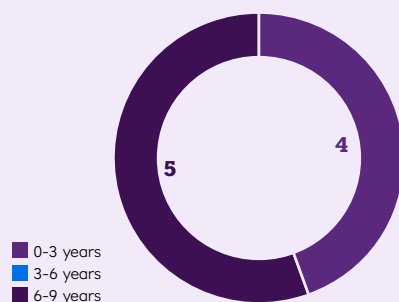
Date of appointment: 1 July 2024



Geeta brings substantial financial and banking expertise to the Board gained through her business leadership and management roles spanning commercial and retail financial services in the UK and internationally, as well as social investment and community development. She has a strong track record as a non-executive director, having served on boards across a variety of industries including Virgin Money UK plc, Dechra Pharmaceuticals Ltd, Ultra Electronics Plc, WiZink Bank S.A. and Vocalink. Geeta is also a Qualified Chartered Accountant of the Chartered Accountants Institute, India.

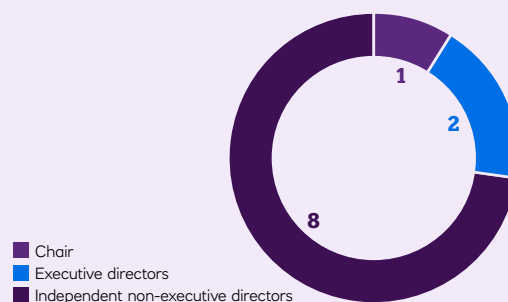
Geeta is currently non-executive director of Intrum AB; Senior Independent Director of Funding Circle Holdings plc and Auto Trader Group plc; and Trustee at The Old Vic Theatre.

Tenure: Chair and non-executive directors



Full Board average tenure: 3.9 years

Independence



Board committees

- (A) Group Audit Committee (GAC)
- (N) Group Nominations and Governance Committee (N&G)
- (Re) Group Performance and Remuneration Committee (RemCo)
- (Ri) Group Board Risk Committee (BRC)
- (S) Group Sustainable Banking Committee (SBC)
- Solid background denotes Committee Chair

Our Board continued

Yasmin Jetha

Independent non-executive director

Date of appointment: 1 April 2020

Yasmin brings a wealth of retail banking and customer experience to the Board, as well as valuable technology and innovation insights. On 1 April 2020 Yasmin re-joined the Board of NatWest Group plc, having first been appointed in June 2017. Yasmin stepped down in April 2018 to serve solely as a director of our key ring-fenced entities; she continues to serve on these boards in addition to the Board of NatWest Group plc.

During her executive career, Yasmin held Chief Information Officer roles at Bupa and the Financial Times, where she later became the Chief Operating Officer. Prior to that, Yasmin held various senior roles at Abbey National PLC, where latterly she served as an executive director on the Board.

Yasmin is currently non-executive director of Guardian Media Group plc and of Nation Media Group Limited.

Stuart Lewis

Independent non-executive director

Date of appointment: 1 April 2023

Stuart brings extensive risk management, financial services and regulatory experience to the Board gained during his executive career, predominantly at Deutsche Bank, where he served 10 years on the Management Board as Chief Risk Officer.

Stuart also brings practical board-level experience, having served on a number of boards and committees in both executive and non-executive capacities. He was previously a non-executive director of the London Stock Exchange Group plc. He was also previously a Member of the Foundation Board of the International Financial Risk Institute and served as Chair.

Stuart is currently non-executive director of Singapore Exchange Limited; Member of the Board of Trustees of the Global Association of Risk Professionals; and Visiting Professor in Practice in the Finance Department, London School of Economics.

Gill Whitehead

Independent non-executive director

Date of appointment: 8 January 2025

Gill has over 25 years' of executive experience in the consumer technology and media sectors having worked at Ofcom, Google, Channel 4 and the BBC. She is a Visiting Policy Fellow at the University of Oxford's Internet Institute. Her board experience spans FTSE 50 companies, public bodies, and sport.

Gill is a fellow of the Institute of Chartered Accountants of England and Wales. She has served as a non-executive director of the Financial Ombudsman Service and Camelot. She also previously served as Google UK's Senior Director of Client Solutions & Analytics. She has also worked in media at Channel 4 and the BBC in a variety of data and technology-driven leadership roles.

Gill is currently a non-executive director of Informa PLC and the British Olympic Association. She is also Chair of the Women's Rugby World Cup 2025.

Lena Wilson CBE

Independent non-executive director

Date of appointment: 1 January 2018

Lena contributes significant knowledge and experience to the Board drawn from a broad executive and non-executive career. She has extensive transformation and development skills, with experience in enterprise, internationalisation, stakeholder management, ESG and general management.

Lena has been a FTSE 100 non-executive director for over 15 years and previously served on the boards of Scottish Power Renewables Limited and Intertek Group plc. She was also previously Chair of Pictou Property Income Limited. During her executive career, Lena was Chief Executive of Scottish Enterprise and prior to that was Senior Investment Advisor to The World Bank.

Lena is currently Chair of FirstGroup plc; Visiting Professor, University of Strathclyde Business School; and a Member of the European Advisory Board of Workday Inc.

**Jan Cargill**
Chief Governance Officer
and Company Secretary**Date of appointment:** 5 August 2019

Jan is a chartered company secretary with over 30 years' corporate governance experience. She was appointed Chief Governance Officer and Company Secretary in 2019. Jan works closely with the Chair to ensure effective and efficient functioning of the Board and appropriate alignment and information flows between the Board and its committees.

She is responsible for advising the Board and individual directors on all governance matters.

Jan has a law degree and is a Fellow of the Chartered Banker Institute. She is also an Associate of The Chartered Governance Institute and has an INSEAD Certificate in Corporate Governance. On 18 December 2024, Jan was appointed as a Bank nominated Director of NatWest Pension Trustee Limited.

Former directors:

Howard Davies stood down as a director on 15 April 2024.

Executive management team

Paul Thwaite

Group Chief Executive Officer



Katie Murray

Group Chief Financial Officer



Keiran Foad

Group Chief Risk Officer



Robert Begbie

CEO, NatWest Commercial & Institutional



Solange Chamberlain

Group Director,
Strategic Development



Emma Crystal

CEO, Private Banking



Nick Curle

Group Chief Audit Executive



David Lindberg⁽¹⁾

CEO, Retail Banking



Scott Marcar

Group Chief
Information Officer



Jen Tippin

Group Chief Operating Officer



The executive management team supports the Group Chief Executive Officer (CEO) in managing NatWest Group's businesses.

The team meets informally once a week and formally via the Group Executive Committee to support the CEO in discharging his individual accountabilities for NatWest Group. Further information on the responsibilities of the executive management team can be found on page 91.

Executive management team biographies are available at natwestgroup.com.

(1) David Lindberg will retire as CEO of Retail Banking to be replaced on an interim basis by Angela Byrne during February 2025.

Chair's introduction



'2024 was a significant year for the Board – undertaking detailed work to shape and approve the strategy, alongside agreeing a range of capital actions. Board and committee appointments during the year ensure we approach 2025 in a position of strength.'

Rick Haythornthwaite
Chair

Further information on the Board's principal areas of focus in 2024 can be found on pages 92 to 93.

Dear Shareholder,

Welcome to the 2024 Corporate governance report, my first since being appointed Chair.

There were a number of changes in the composition of the NatWest Group plc Board during 2024, starting with the appointment of Paul Thwaite as permanent CEO in February 2024. My predecessor Howard Davies stepped down in April 2024, leaving with our good wishes and gratitude for his leadership of the Board since 2015. We welcomed Geeta Gopalan as a non-executive director in July 2024 and in December 2024 announced the appointment of Gill Whitehead. Both Geeta and Gill have since been appointed to various Board committees as noted on page 86. In September 2024, Roisin Donnelly joined the Group Performance and Remuneration Committee, further strengthening the skill set of the committee.

In July 2024 we announced Mark Seligman's intention not to seek re-election at the next AGM, and I am delighted Lena Wilson has been appointed to succeed him as Senior Independent Director, with effect from 1 April 2025. I am grateful to Mark for his dedication to NatWest during his tenure.

Given the recent appointments to the Board we also reviewed succession planning and committee composition during the year. More details on this can be found in the Group Nominations and Governance Committee report on pages 106 to 108. This was complemented by a comprehensive Board skills assessment undertaken in December 2024. The outputs of

this will help to ensure the Board is well placed in 2025 and beyond. Further information on the process and findings are available on page 87 of this report.

During the first half of the year, the Board, along with management, dedicated much time to preparing for the retail share sale announced by the previous UK Government in December 2023. While the share offering was delayed by the general election and then not pursued by the subsequent government, there were many useful lessons learned from the process which have been taken forward by management. The Board was also very pleased to note the continued reduction in the UK Government's shareholding during the year through other means. The Board approved participation in two direct buybacks of shares during the year, supporting our capital distributions strategy (more information is available in the s172(1) statement on pages 32 to 33).

In March 2024 the Board visited NatWest sites in India, meeting internal and external stakeholders in Gurugram and Bengaluru. The directors found the sessions very informative, and were particularly encouraged by the level of engagement from colleagues, and the opportunities discussed. You can read more about the visit on page 94.

The Board held three strategy sessions in 2024 focusing on how the bank can continue to best serve customers. Further information on this is available in the Strategic report (pages 32 and 33) and later in this report (page 98). The discussions were collaborative and constructive, supported by considered proposals developed by management. The Board will oversee

Principal areas of focus

- ✓ Purpose and strategy
- ✓ Stakeholder engagement
- ✓ Risk and controls
- ✓ Financial performance
- ✓ Legal and regulatory matters

delivery of the strategy by the leadership team during 2025.

I would like to take this opportunity to thank my fellow directors for their continued contribution and commitment to NatWest Group during 2024. I would also like to note my thanks to Jan Cargill, our Company Secretary, who will be retiring shortly. Jan has worked at NatWest for 35 years, providing invaluable support to the Board and colleagues across the bank, and leaves with our best wishes. I look forward to working with her successor, Gary Moore, who takes up the role in February 2025.

Rick Haythornthwaite
Chair of the Board

13 February 2025

Governance at a glance

Key activities in 2024

The strategy

Agreeing the future purpose and strategy of NatWest Group, including the required budget, capabilities and technology infrastructure.

[Read more on pages 32 and 33](#)

Board succession planning

Reviewing Board and committee membership and succession plans, and supporting Geeta Gopalan's induction.

[Read more on pages 94 and 107](#)

Visit to India

Undertaking a visit to NatWest Group's centres in Gurugram and Bengaluru in India, meeting colleagues and suppliers, and learning about the bank's local community engagement activities.

[Read more on page 94](#)

Capital distributions

Approving a range of capital distributions during 2024, including dividend payments, an on-market buyback programme and two directed buybacks.

[Read more on page 33](#)

Risk management

Enhancing focus on the overall risk profile of each of our customer businesses.

[Read more on page 117](#)

Control environment oversight

Maintaining a continued focus on NatWest Group's control environment.

[Read more on page 110](#)

Board effectiveness review

Appointing an external provider to undertake the annual effectiveness review of the Board and its committees.

[Read more on pages 103 to 105](#)

Climate oversight

Continuing to oversee climate matters, including progress against our climate ambitions.

[Read more on page 90](#)

Board and committee changes

2024

8 January

Rick Haythornthwaite joined as an independent non-executive director and Chair Designate.

16 February

Paul Thwaite was appointed permanent CEO.

15 April

Rick Haythornthwaite succeeded Howard Davies as Chair, and Howard stood down from the Board.

1 July

Geeta Gopalan was appointed as an independent non-executive director.

1 September

Roisin Donnelly joined the Group Performance and Remuneration Committee.

2025

1 January

Geeta Gopalan joined the Group Audit Committee, Group Board Risk Committee and Group Sustainable Banking Committee.

8 January

Gill Whitehead was appointed as an independent non-executive director, and joined the Group Board Risk Committee and Group Sustainable Banking Committee.

14 February

Jan Cargill will retire as Chief Governance Officer and Company Secretary, and Gary Moore will assume the role.

31 March

Mark Seligman will retire from the Board and as Senior Independent Director.

1 April

Lena Wilson will assume the role of Senior Independent Director.

Diversity in the boardroom

Board skills and experience

The Board conducted a comprehensive Board skills assessment in December 2024 using the BoardOutlook platform. This process evaluated the collective expertise and capabilities of the Board against the organisation's strategic priorities and governance needs, and the resulting data and analysis underpin the succession planning process. By identifying critical and general skills areas, this enhanced skills assessment approach has provided valuable insights into the Board's strengths and opportunities for consideration by N&G and the Board. The findings, as reflected in the Board skills matrix below, will help to ensure that the Board remains well-equipped to navigate complex challenges, deliver long-term value creation and uphold the highest standards of governance.

Further information on the Board skills matrix can be found in the [N&G report on page 106](#).

Board skills matrix 2024

Critical skills

Banking and financial services ●●●●●●●●○○○	Customer and partner ●●●●●○○○○○○○
Risk management ●●●●●●●●○○○	Consumer digital ●●●●●○○○○○○○
Strategy, innovation and disruption ●●●●●●●●○○○	Enterprise digital ●●○○○○○○○○○○○

General skills

Corporate governance ●●●●●●●●●●○	Major change and transformation ●●●●●●●●●●○
Regulatory engagement ●●●●●●●●○○○	Talent and leadership ●●●●●●●●○○○
Accounting and financial reporting ●●●●●●●○○○○	Remuneration ●●●●●●●○○○○
Mergers, acquisitions and divestments ●●●●●●●○○○○	Sustainability ●●●●●●●○○○○
CEO experience ●●●●●●○○○○○	Marketing, brand and communications ●●○○○○○○○○○○○

Dark circles represent **expert** or **advanced** levels of skills or experience

Board and executive management diversity disclosures

UK Listing Rule 6.6.6(10)

Sex

	Board members	% of the board	Number of senior positions on the board*	Number in executive management	% of executive management
Men	6	55	3	6	60
Women	5	45	1	4	40
Other categories	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

* Senior Board position is CEO, CFO, Chair or Senior Independent Director.

Ethnicity

	Board members	% of the board	Number of senior positions on the board*	Number in executive management	% of executive management
White British or other White (including minority-White groups)	9	82	4	7	70
Mixed/Multiple ethnic groups	0	0	0	0	0
Asian/Asian British	2	18	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	3	30

* Senior Board position is CEO, CFO, Chair or Senior Independent Director.

UK Listing Rule 6.6.6(9)

Compliance

UK Listing Rules requirement	Outcome	Group's position at 31 December 2024
At least 40% of Board directors are women	Target met	45% of Board Directors were women
At least one senior Board position held by a woman*	Target met	The position of CFO is held by a woman
At least one Board Director from a minority ethnic background	Target met	Two Board Directors are from a minority ethnic background

- (1) All data as at 31 December 2024 (the reference date).
- (2) Data was collected via self-reporting methods – for Board Directors this was via email and for members of the executive management team it was collected via our HR system Workday.
- (3) The Group CEO and Group CFO are members of both the Board and executive management and so are counted in both groups in the above tables.
- (4) Changes since the reference date: Gill Whitehead joined the Board as an independent non-executive director on 8 January 2025. This appointment means that women's representation on the Board became 50% and representation of ethnic minorities became 17%.

* Senior Board position is CEO, CFO, Chair or Senior Independent Director.

Our boardroom inclusion policy aims to promote diversity and inclusion in our Board and committee composition via targets, which aspire to meet those set out in the UK Listing Rules, the FTSE Women Leaders Review and the Parker Review. A copy of the policy is available at natwestgroup.com.

UK Corporate Governance Code 2018

All directors are committed to observing high standards of corporate governance, business integrity and professionalism.

Throughout 2024, NatWest Group plc applied the Principles and complied with the Provisions of the 2018 UK Corporate Governance Code (the Code), with two exceptions for the period from 1 January to 30 April 2024. These related to:

Provision 17 – that the Group Nominations and Governance Committee should ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession; and

Provision 33 – that the Group Performance and Remuneration Committee should have delegated responsibility for setting remuneration for the Chair and executive directors.

The responsibilities set out in Provisions 17 and 33 were reserved for the Board until 30 April 2024. Effective from 1 May 2024, the Board approved certain delegations to its committees in order to simplify our governance framework, aligning with best practice and the requirements of the Code.

The Board noted that while oversight of executive succession would be delegated to N&G, the Board would still have opportunities to engage with potential executive successors.

In addition, RemCo would retain its ability to escalate performance and remuneration matters considered to require Board oversight. Board oversight of executive director and Chair pay would be provided through RemCo Chair reports.

The UK Listing Rules require companies to make a statement of how they have applied the Code's Principles, in a manner that would enable shareholders to evaluate how the Principles have been applied.

The table below cross-refers to relevant sections of this report which describe how we have applied the Principles and complied with the Provisions of the Code during 2024. The information referred to on this page supports our formal statement of compliance on page 163.

We have reviewed the requirements of the UK Corporate Governance Code 2024, which was published by the Financial Reporting Council in January 2024 (the 2024 Code). Appropriate and timely updates have been made and/or are in progress to our governance framework, policies and practices, in order to reflect the 2024 Code.

Board leadership and company purpose

- Our strategic framework (page 10)
- Our business model (pages 18 to 19)
- Principal areas of Board focus in 2024 (pages 92 to 93)
- Board oversight of strategy and culture (page 98)
- How the Board engaged with stakeholders (including our Colleague Advisory Panel) (pages 99 to 101)

Division of responsibilities

- Our governance framework (role and responsibilities of the Board and Board committees) (pages 89-90)
- Division of responsibilities (page 91)
- Subsidiary governance and ring-fencing (page 96)
- Board and committee membership and attendance (page 95 and relevant Board committee reports)
- Board policies and processes, including external appointments and time commitment (page 97)

Composition, succession and evaluation

- Directors' biographies and committee memberships (pages 81 to 83)
- Board composition dashboard as at 31 December 2024 (sex, ethnicity, age, tenure, independence) (pages 81 to 82)
- Board and Board committee changes in 2024 and 2025 (page 86)
- Board skills and experience, including the Board skills matrix (pages 87)
- Board composition and succession, including our boardroom inclusion policy (page 102)
- Board effectiveness review (pages 103 to 105)
- Group Nominations and Governance Committee report (Board appointments, executive succession) (page 106)
- UK Listing Rules Board and executive management diversity disclosures (page 87)

Remuneration

- Directors' remuneration report (page 126) (Group Performance and Remuneration Committee activity and decisions during 2024; remuneration policy for executive directors; wider workforce remuneration).

Audit, risk and internal controls

Information on how the company has applied the Principles and complied with the Provisions set out in this section of the Code can be found throughout the Annual Report and Accounts. The following sections are of particular relevance:

- Group Audit Committee report (page 109)
- Viability statement (page 62)
- Compliance report (page 163)
- Group Board Risk Committee report (page 115)

The Board regularly assesses the company's emerging and principal risks in a variety of ways including through review of the risk management report and dedicated training.

Details of the company's principal risks, procedures in place to identify top and emerging risks, and how these are managed or mitigated, can be found on pages 56 to 61 (Risk overview) and pages 171 to 277 (Risk and Capital Management).

Our governance framework

NatWest Group plc Board

- Is collectively responsible for promoting the long-term success of the company, driving shareholder value and NatWest Group's contribution to wider society.
- Establishes NatWest Group's strategy and leads the development of its culture.
- Provides leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed.
- Sets the strategic aims of the company and its subsidiaries, ensures that the necessary resources are in place for NatWest Group to meet its objectives.
- Is responsible for the allocation and raising of capital, and reviews business and financial performance.
- Ensures that the company's obligations to its shareholders and other key stakeholders are understood and met.

To assist in providing effective oversight and leadership, the Board has established the following committees:

A

Group Audit Committee

- Assists the Board in discharging its responsibilities in relation to the disclosure of NatWest Group's financial and non-financial reporting.
- Reviews accounting and financial reporting and regulatory compliance and NatWest Group's system of internal controls.
- Monitors the processes for internal audit, risk management, external audit and whistleblowing.

Committee report on page 109.

Ri

Group Board Risk Committee

- Provides oversight and advice to the Board on current and potential future risk exposures of NatWest Group; future risk profile; and the approval and effectiveness of the enterprise-wide risk management framework.
- Reviews NatWest Group's performance relative to risk appetite; the effectiveness of internal controls required to manage risk; and all material risk exposures.

Committee report on page 115.

N

Group Nominations and Governance Committee

- Assists the Board in the appointment of directors and with Board committee composition.
- Reviews the structure, size and composition of the Board and approves appointments to the boards of principal and material regulated subsidiaries.
- Monitors NatWest Group's governance arrangements.
- Considers succession planning for the Board and senior management.

Committee report on page 106.

Re

Group Performance and Remuneration Committee

- Responsible for the overview of NatWest Group's remuneration policy and the directors' remuneration policy, ensuring that arrangements are designed to promote the long-term success of NatWest Group.
- Approves pay and performance outcomes for executive directors and senior members of management.
- Approves the annual Group-wide bonus pool.

Committee report on page 126.

S

Group Sustainable Banking Committee

- Supports the Board in overseeing, supporting and challenging actions taken by management to run NatWest Group as a sustainable business, capable of generating long-term value for its stakeholders.
- Oversees the development and embedding of purpose; and how data, technology and innovation are used to support the customer.

Committee report on page 122.

Executive governance

The Group Executive Committee (ExCo) supports the CEO in discharging his responsibilities in managing NatWest Group's business day to day.

For further information on individual roles and responsibilities, see page 91.

Governance framework changes during 2024

The two Board Oversight Committees (BOCs) established in 2023 in connection with Customer Exits and the proposed Retail Share Offering were disbanded during 2024. The Board considered the ongoing need for each BOC and concluded that they were no longer required. This reflects the temporary, issue-focused nature of each BOC.

Further information

- Board and committee terms of reference are available at natwestgroup.com and are reviewed at least annually.
- The Board terms of reference include a formal schedule of matters specifically reserved for the Board's decision.
- Internal reviews confirmed the Board and its committees had fulfilled their remits as set out in their terms of reference during 2024.

Our governance framework continued

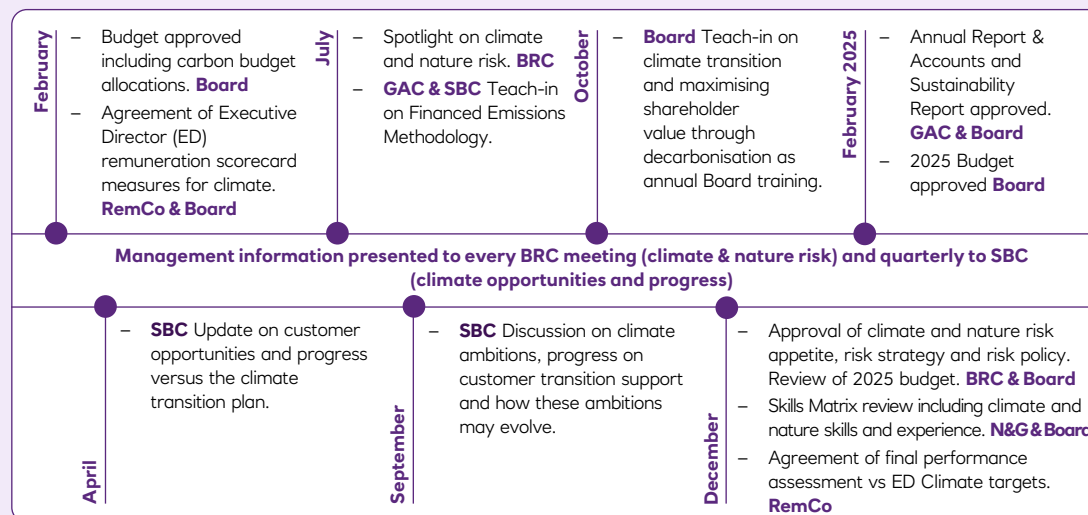
Climate governance

The governance structure for climate-related activities is embedded across the organisation. We continue to monitor the effectiveness of these arrangements to ensure that the risks and opportunities for the bank and our stakeholders are considered. The NatWest Group plc Board, subsidiaries, Board Committees, executive fora, cross-bank working groups and day-to-day decision-making all have a role to play in the delivery of this integrated governance approach.

Board and Board Committee responsibilities

Board	Responsible for promoting the long-term sustainable success of NatWest Group, sets strategic aims, monitors and oversees the risks and opportunities presented by transition including strategic climate targets.
Audit Committee	Considers financial and non-financial disclosures and receives assurance regarding the robustness of controls supporting these disclosures.
Sustainable Banking Committee	Oversees actions being taken to run the bank as a sustainable business and progress against our climate ambition.
Board Risk Committee	Considers current and potential future climate risk exposures.
Performance & Remuneration Committee	Oversees link between climate strategy and remuneration.

Areas of Board and committee focus	Board	Audit Committee	Sustainable Banking Committee	Board Risk Committee	Performance & Remuneration Committee	Nominations & Governance Committee
Risk	✓	✓		✓	✓	
Opportunities	✓		✓		✓	
Progress against transition plan	✓	✓	✓	✓	✓	
Disclosures	✓	✓				
Education	✓	✓	✓			
Skills	✓					✓



Executive Governance

The Group CEO holds Joint Senior Manager Function accountability for identifying and managing financial risks from climate change, together with the Group Chief Risk Officer (Group CRO). The Executive team has delegated responsibility from the Group CEO for identifying and managing financial risks and opportunities from climate change and the execution of the transition plan. This is primarily delegated to the Chief

Financial Officer (Group CFO), Group Chief Information Officer (Group CIO), Group Chief Operating Officer (Group COO), Group Director, Strategic Developments and the business CEOs.

The **Executive Committee** supports the Group CEO in managing NatWest's Group's businesses and operates under individual accountability. This is the primary body for oversight of the overall delivery of the climate transition plans and targets at a Group level. Additional

Executive level committees operate under individual accountability to support relevant Executive Management Team members in discharging their individual accountabilities. These committees provide a forum for debate and challenge of the key issues set out in their Terms of Reference. These include the **Executive Risk Committee** which reviews and challenges all material risk exposures including operational, reputation and climate risk; **Executive Disclosure**

Committee which reviews all material financial and non-financial disclosures, including climate disclosures; **Group Reputational Risk Committee** which considers the reputational impact of climate change actions and relevant Environmental, Social & Ethical Risk Policies; and **segment and function leadership teams** which manage delivery against allocated carbon budgets and associated targets.

Division of responsibilities

As at the date of publication of this report the Board has 12 directors, comprising the Chair, two executive directors and nine independent non-executive directors, one of whom is the Senior Independent Director. Director biographies and details of the Board committees of which they are members can be found on page 81 to 83. Full biographies are available at natwestgroup.com.

Chair and CEO

The role of Chair is distinct and separate from that of the CEO and there is a clear division of responsibilities, with the Chair leading the Board and the CEO managing the business day to day.

Senior Independent Director

Throughout 2024 the Senior Independent Director Mark Seligman acted as a sounding board for the Chair, and as an intermediary for other directors when necessary. He was available to shareholders to discuss any concerns that are not resolved through standard communication with the Chair, CEO or other members of executive management. Mr Seligman also led the non-executive directors' year-end review of the Chair's performance, together with the Senior Independent Director of the ring-fenced bank.

Chief Governance Officer and Company Secretary

The Chief Governance Officer and Company Secretary works closely with the Chair to ensure effective and efficient functioning of the Board and appropriate alignment and information flows between the Board, its committees and management.

The Chief Governance Officer and Company Secretary is responsible for advising the Board and individual directors on all governance matters, and also facilitates Board induction and directors' professional development.

Non-executive directors

Along with the Chair and executive directors, the non-executive directors are responsible for ensuring the Board fulfils its responsibilities under its terms of reference.

The non-executive directors combine broad business and commercial experience with independent and objective judgement. They provide constructive challenge, strategic guidance, and specialist advice to the executive directors and the executive management team and hold management to account.

The balance between non-executive and executive directors enables the Board to provide clear and effective leadership across NatWest Group's business activities and ensures no one individual or small group of individuals dominates the Board's decision-making.

The Chair and non-executive directors meet without the executive directors present at the end of each Board meeting. The performance of the non-executive directors is evaluated annually as part of the Board effectiveness review and further details of the process undertaken can be found on pages 103 to 105.

Executive management

The executive management team supports the Group Chief Executive Officer in managing NatWest Group's businesses

Decisions at all executive level committees including the Group Executive Committee are made under individual accountability where decision-making authority lies with an individual (who usually chairs committee meetings) and committee members support the relevant individual in discharging their accountabilities. These committees provide a forum for debate and challenge of the key issues set out in their terms of reference. The role of members is to provide input, support and challenge to the decision maker, including on whether to recommend matters to Board committees and the Board.

The Group Executive Committee considers the delivery of strategy, financials, risk, and customer, colleague and operational issues affecting NatWest Group, as well as monitoring the implementation of cultural change. The executive management team also holds regular executive succession planning, talent and team effectiveness sessions.

Members of the executive management team also have individual accountabilities for their respective areas of responsibility and have committees to support them in discharging these accountabilities.

Details of the key responsibilities of the Chair, CEO, Senior Independent Director and non-executive directors are available at natwestgroup.com.

The executive management team is detailed on page 84 and biographies are available at natwestgroup.com.

Principal areas of Board focus in 2024

- At an ad hoc meeting, discussed interim updates on year-end disclosures and narrative and the 2024 Budget.
 - Reviewed the results of an investor perception study.
 - Considered the proposed approach to the strategy session in June 2024.
 - Reviewed enhancements to NatWest Group's outsourcing framework, including approving changes to certain risk standards.
 - Received training on liquidity and funding risk.
 - At an ad hoc meeting, considered changes to the executive management team.
- Key approvals**
- Recalibration of certain risk appetite limits.
 - Attestation of the ring-fenced bank's compliance with ring fencing rules in relation to the Commercial & Institutional business.
 - Year 3 operational resilience self-assessment.
- At an ad hoc meeting, reviewed the latest versions of the prospectus and ancillary documents for the potential retail share offering.
 - An ad hoc Board Committee meeting considered participation in a directed buyback of shares from HM Treasury and, on behalf of the Board, approved the purchase of c392m shares.

January

February

March

April

May

June

- Received training on directors' duties in the context of HMT's potential retail share offering.

Key approvals

- 2023 Annual Report and Accounts and associated documents.
- ESG disclosures report.
- Climate-related disclosures report and associated documents.
- 2023 Control Disclosure.
- 2024 Budget (including carbon budget allocations).
- Capital distributions, including a final ordinary dividend.
- Non-executive directors' independence;
- CEO appointment following consideration at an ad hoc meeting.

- Attended the Annual General Meeting.
- Considered NatWest Group's digital distribution strategy, progress and ambitions.
- Discussed NatWest Group's cash cycle, cash landscape and industry direction of travel.
- Considered customer complaint volumes and themes.
- Participated in training on unconscious bias.

Key approvals

- Q1 financial results.
- ILAAP and ICAAP submissions.
- Governance simplification measures.

- Held the first Board strategy session of the year.
- Discussed top and emerging risks with management.
- Reviewed Our View colleague engagement survey mid-year results.
- Appointed an external facilitator for the Board effectiveness review.
- Considered proposals for the evolution of NatWest Group's purpose.
- Undertook training on diversity, equity and inclusion.

Key approvals

- 2023 Modern Slavery & Human Trafficking Statement.
- Resolvability Self Assessment.
- Recovery Plan.

Principal areas of Board focus in 2024 continued

- Received the PRA's Periodic Summary Meeting Letter and considered the proposed response.
- Considered the first impressions of the new CEO of Private Banking.

Key approvals

- First annual 'point in time' assessment of outcomes received by customers in scope of the Consumer Duty.
- H1 financial results.
- Capital distributions, including an interim dividend.

July

August

September

October

November

December

- Undertook a deep dive into the Commercial & Institutional business.
- Gained insights on local level customer interactions through a dinner with the Regional Board Chairs.
- Considered and supported Coutts' application to be recertified as a B-Corp.
- Met potential future ExCo successors and discussed their experiences of simplification.
- Received an update on third-party risk management.
- Undertook training on financial crime.

Key approvals

- Refreshed purpose statement for NatWest Group.

- An ad hoc Board Committee meeting considered participation in the directed buyback of shares from HMT, and approved, on behalf of the Board, the purchase of c263m shares.

- No meetings held.

Regular reports (provided to every scheduled meeting unless otherwise stated)

- Reports by the Group Chair, CEO and CFO.
- Board committee and NatWest Markets plc Chairs and Consumer Duty Board Champion updates.
- Business reviews.
- Risk management reports.
- Legal and regulatory updates (quarterly).
- Colleague Advisory Panel reports (bi-annually).
- Retail share offering updates (until June).

- Held two separate Board strategy sessions.
- Considered the results of the most recent Our View colleague engagement survey.
- Participated in training sessions on model risk and climate.

Key approvals

- Operational self-assessment follow up regulatory submission.
- 2025 Budget, Economic and Stress Scenarios and assumptions.
- Q3 financial results.
- Group Tax strategy.

- Discussed the outcome of the Board effectiveness review.
- Reviewed the culture measurement report.
- Considered proposals in relation to the external distributions.
- Considered the proposed narrative of the strategic evolution for internal and external stakeholders.
- Met with investors to deepen directors' understanding of their focus areas and views of NatWest Group.
- Reviewed the finalised base plan for the 2025 Budget.

Key approvals

- Board skills matrix.
- Risk management frameworks.
- Annual risk appetite refresh.
- Directors' conflicts of interest and external appointments.
- AGM arrangements.
- SEC shelf renewal.
- Annual Issuance limits.
- Annual Single Customer View attestation.
- Appointment of Gill Whitehead to the Board.
- Committee composition enhancements.

Enhancing directors' skills and knowledge

The Chief Governance Officer and Company Secretary supports directors in their training and development via a comprehensive induction programme when they join the Board and an ongoing annual schedule of training sessions and deep dives into areas of interest and relevance. These are designed to support directors' professional development, deepen their knowledge of the businesses or specific areas of interest or offer specialised training on relevant matters.

During 2024 the Board undertook several training sessions on a range of relevant topics:

Topic	Considerations
Liquidity and funding	Points considered included the principles and management of liquidity and funding risk; the approach to stress testing; the liquid asset buffer; balance sheet overview and forecasting; opportunities and challenges; and peer analysis.
Model risk management	The Board reviewed the current model portfolio and framework and regulatory guidance and expectations. There was a focus on Internal Rating Based Models and the current transformation programme, as well as temporary model adjustments and RWA risk.
Digital assets	Directors discussed the current and longer-term opportunities in respect of digital assets; potential impacts on financial stability; and how capabilities could be expanded further.
Financial crime	The Board considered a scenario of interconnected risks materialising simultaneously leading to increased financial crime risk and how the bank might respond to balance the needs of different stakeholders.
Directors' duties	Directors were reminded of their duties in relation to year-end disclosures and processes, and a deep dive was held into their obligations in relation to the planned retail share offering.
Diversity, Equity and Inclusion (DE&I)	The Board discussed management's approach to promoting and developing diversity, equity and inclusion for colleagues and customers. Consideration was also given to external expectations, including forthcoming regulatory requirements. This training was complemented by a separate session on how to avoid and address instances of unconscious bias.
Climate	Transition Value Partners delivered a session where the directors considered how climate transition could be supported by the bank. Consideration was given to public policy, opportunities within the bank and how data could be used to inform decisions.
Deep dives	During the year deep dives were held into Digital X and the Commercial & Institutional segment, and the bank's partnership with Team GB.
Committee level sessions	All directors were invited to relevant agenda items, training and deep dive sessions held at Board committee level. Further information on Board committee connectivity can be found on page 95.
Induction programmes	<p>After her appointment to the Board on 1 July, Geeta Gopalan undertook a full induction programme over the following months. This included meetings with members of the executive leadership team and external advisers, and discussions focused on the bank's strategy, culture, business ambitions and stakeholder relations. Ms Gopalan attended Board committee meetings in an observational capacity to understand discussions covered at that level.</p> <p>During the year Mr Haythornthwaite's comprehensive Chair induction programme continued, supporting the formal handover of Chair responsibilities in April 2024.</p>

Visit to India, March 2024

In March 2024 the Board spent a week visiting the bank's operations in India and meeting many of the over 17,000 colleagues based in the country. Time was split between Gurugram and Bengaluru, and in both locations meetings were held with a variety of internal and external stakeholders. The programme included a focus on colleague engagement, and directors met individuals and teams from Finance, Digital X and People, who support colleagues across the bank to deliver for our customers. Discussion topics ranged from how to improve and simplify current operations to how the Board can support the DE&I agenda in India.

From an external perspective, the Board met with current suppliers, representatives of emerging businesses in India and leaders of other large businesses with a presence in the country. This provided helpful insights into the operating environment, political and economic background and the opportunities available in India. The directors particularly noted the degree of experimentation and innovation in India and how the bank might support and learn from that.

During the visit directors had opportunities to understand the variety of community engagement and sustainability-focused activities undertaken by colleagues in India, including visiting external projects supported by NatWest Group and an internally hosted climate roadshow showcasing active environmental projects supported by NatWest in the country. Local colleagues also presented an evening of cultural performances showcasing the talents and variety of traditional dance styles across India.

The directors highly valued the time spent in India and welcomed the opportunities to meet colleagues. Following the visit, the Board discussed with management the insights gained and how these could inform future decision-making.

How the Board operated in 2024

Board and committee meetings

There were eight scheduled meetings of the Board during 2024. Additional ad hoc meetings of the Board and some of its committees were held throughout the year to receive updates and deal with time-critical matters. There were five additional Board meetings held in 2024, compared to 11 in 2023.

There were also three strategy sessions with executive management in 2024, including one ad hoc session.

When directors are unable to attend meetings convened at short notice, for example owing to existing commitments, they receive the papers and have the opportunity to provide any feedback in advance.

In accordance with the Code, the Chair and the non-executive directors met at least once without executive directors present. At each scheduled Board meeting the directors received reports from the

Chair, Board committee Chairs, NWM Chair, the Consumer Duty Board Champion, Group CEO, Group CFO, Group Chief Risk Officer and other members of the executive management team, as appropriate. Business reviews from the CEOs of our Retail Banking, Private Banking and Commercial & Institutional businesses included updates on progress against strategy and spotlights on current topics such as customer trends and trading outlook. In addition to our business CEOs, a number of other senior executives attended Board meetings throughout the year to present reports to the Board. This provided the Board with an opportunity to engage directly with management on key issues and supported succession planning. The Board also welcomed external presenters and advisers to Board meetings, providing useful insights and perspectives. The Board and Group Executive Committee (ExCo) operating rhythm continues to support a proactive and transparent agenda planning and paper preparation process. This process operates as shown opposite.

Board members and attendance in 2024

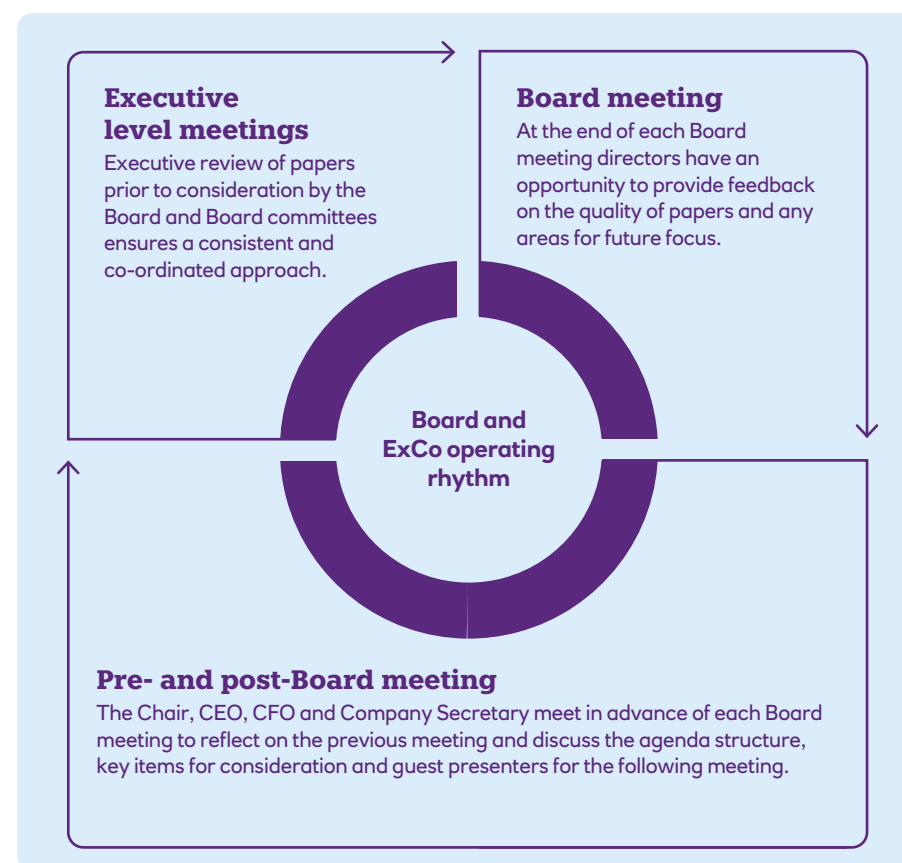
Directors	Board	
	Scheduled meetings attended	
Rick Haythornthwaite	8	8 of 8
Howard Davies ⁽¹⁾	2	2 of 2
Paul Thwaite	8	8 of 8
Katie Murray	8	8 of 8
Frank Dangeard ⁽²⁾	7	7 of 8
Stuart Lewis	8	8 of 8
Roisin Donnelly	8	8 of 8
Patrick Flynn	8	8 of 8
Yasmin Jetha	8	8 of 8
Mark Seligman	8	8 of 8
Lena Wilson	8	8 of 8
Geeta Gopalan ⁽³⁾	5	5 of 5

(1) Howard Davies stepped down from the Board and the role of Chairman with effect from 15 April.

(2) Mr Dangeard was unable to attend one scheduled meeting of the Board due to illness.

(3) Ms Gopalan joined the Board on 1 July 2024.

(4) In addition to the eight scheduled meetings held, there were five ad hoc meetings. All directors eligible to attend ad hoc meetings were present at those meetings, except for Mr Dangeard who was unable to attend two ad hoc meetings owing to prior commitments.



Board committee connectivity

Having non-executive directors on multiple Board committees supports effective governance by strengthening co-ordination and alignment on shared areas of focus, particularly in relation to audit, risk and remuneration matters.

Board committee members also work together to enhance their knowledge and understanding of the business through business visits and teach-ins. In 2024 these included joint GAC and BRC visits to the Risk, Internal Audit and Finance functions and a GAC and SBC Financed Emissions teach-in.

Board committee membership and attendance information can be found in the relevant Board committee reports. During 2024, the Group Chair attended all N&G meetings (initially as a member and then as Chair), and attended all other Board committee meetings as an observer.

Subsidiary governance and ring-fencing

NatWest Group plc is a listed company with equity listed on the London and New York stock exchanges. NatWest Holdings Limited (NWH Ltd) is the holding company for our ring-fenced operations, which include our Retail and Private Banking segments and certain aspects of our Commercial & Institutional business. A common board structure is operated such that the directors of NWH Ltd are also directors of The Royal Bank of Scotland plc (RBS plc) and National Westminster Bank Plc (NWB Plc). Known collectively as the NWH Sub Group, the boards of these three entities meet concurrently.

An integral part of NatWest Group's governance arrangements is the appointment of three double independent non-executive directors (DINEDs) to the Boards, and Board committees, of the NWH Sub Group. They are Francesca Barnes, Ian Cormack and Mark Rennison. The DINEDs are independent in two respects: (i) independent of management as non-executives; and (ii) independent of the rest of NatWest Group by virtue of their NWH Sub Group-only directorships. They attend NatWest Group plc Board and relevant Board committee meetings as observers. Our DINEDs play a critical role in NatWest Group's ring-fencing governance structure, and are responsible for exercising appropriate oversight of the independence and effectiveness of the NWH Sub Group's governance arrangements, including the ability of each Board to take decisions independently.

The governance arrangements for the Boards and Board committees of NatWest Group plc and the NWH Sub Group have been designed to enable NatWest Group plc to exercise appropriate oversight and to ensure that, as far as is reasonably practicable, the NWH Sub Group is able to take decisions independently of the wider Group.

The DINEDs also have an enhanced role in managing any material conflicts which may arise between the interests of NWH Sub Group and other members of NatWest Group.

Principal subsidiaries of NatWest Group include Coutts & Co, NatWest Markets Plc and The Royal Bank of Scotland International Limited. The Chair of the Board of NatWest Markets Plc is also a director of NatWest Group plc and this common membership helps to facilitate connectivity between the entities. Matters from the subsidiaries are principally escalated through the management reporting line and regular engagement between directors of NatWest Group plc and the subsidiaries.

Further information on subsidiary governance can be found in the [N&G report on pages 106 to 108](#).

Ian Cormack

NWH Sub Group – Senior Independent Director and double independent non-executive director

Date of appointment: 1 May 2018



Ian's extensive financial services career provides him with significant experience in commercial and investment banking, with particular focus on customer and risk management. He spent 30 years with Citibank/Citigroup where he held a number of senior positions, and was also chief executive of AIG's insurance, financial services and asset management business in Europe and served on the board of Luxembourg-based bond clearing house CEDEL. Ian has previously held non-executive positions with Just Group plc, Phoenix Group Holdings plc, Hastings Group Holdings plc, Bloomsbury Publishing plc and Broadstone Acquisition Corporation Inc.

Francesca Barnes

NWH Sub Group – Double independent non-executive director

Date of appointment: 1 May 2018



Francesca brings a wealth of banking and private equity experience to the Board gained through an extensive executive career, which included roles with Chase Manhattan Bank and UBS Investment Bank.

Francesca is currently the Senior Independent Director of HarbourVest Global Private Equity Limited, a non-executive director of Capvis Private Equity and previously served on the Board of Coutts & Co, a NatWest Group subsidiary.

Mark Rennison

NWH Sub Group – Double independent non-executive director

Date of appointment: 1 September 2023



Mark has extensive retail banking and financial services expertise, as well as broad experience at board and committee level. He is a chartered accountant with over 30 years' experience in financial services. He began his career at Price Waterhouse (now PwC), where he spent over ten years as a partner specialising in financial services. He was CFO of Nationwide Building Society from 2007 to 2019. From 2020 to 2023 Mark was an independent non-executive director of TSB and Audit Committee Chair.

Mark is currently a non-executive director of Royal London.

Key Board policies and processes



Board policies and processes are set out in our non-executive director handbook.

External appointments and time commitment

In accordance with the Code, non-executive directors are expected to allocate sufficient time to the company to discharge their responsibilities effectively and to devote such time as is necessary to fulfil their role. Our executive directors do not hold more than one non-executive directorship in a FTSE 100 company or other significant appointment.

The Code emphasises the importance of ensuring directors have sufficient time to meet their board responsibilities. Before any appointment, significant commitments are disclosed with an indication of the time involved. After appointment to the Board,

any new external appointments require prior approval. Time commitment is also considered during non-executive directors' year-end review meetings with the Chair, in the context of directors' performance and contribution to the Board.

Board papers relating to new director appointments or proposed additional external appointments for existing directors include details of the individual's full portfolio and anticipated time commitment for the external role(s) under consideration (e.g. committee Chair roles). They also include a reminder of applicable Code and Capital Requirements Directive limits on the number of directorships which may be held, and relevant proxy adviser and investor guidance.

During 2024 the Board approved the appointments of Geeta Gopalan and Gill Whitehead to the Board and additional external appointments taken on by Frank Dangeard, Stuart Lewis, Mark Seligman, Roisin Donnelly, Paul Thwaite and Lena Wilson were also approved. In each case, the Board noted there would be no material impact on the time commitment required for their respective NatWest Group roles and authorised any situational conflicts of interest which had been notified, under the process described below.

Conflicts of interest

Our directors' conflicts of interest policy ensures that directors understand their fiduciary duties in respect of conflicts of interest and sets out the procedures for the effective identification, management and disclosure of actual or potential conflicts of interest. It also sets out the process for authorising certain conflicts.

Directors are required to notify the Board of any situational or transactional conflict 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 in accordance with the Companies Act 2006 and the company's Articles of Association. The Board 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.

Independence

Non-executive director independence and individual directors' continuing

contribution to the company are considered by the Board, with support from the Group Nominations and Governance Committee at least annually, and when new non-executive directors are appointed. The Board considers that the Chair, Rick Haythornthwaite, was independent on appointment and that all current non-executive directors are independent, for the purposes of the Code.

In February 2025, as part of its annual review of non-executive director independence, the Board noted that Frank Dangeard would reach nine years' tenure in May 2025. The Board agreed that Mr Dangeard should continue to serve on the Board and as a member of RemCo beyond nine years to support orderly succession planning for the Board of NatWest Markets Plc. It was further agreed that, in the absence of any subsequent material change in circumstances, Mr Dangeard should continue to be considered independent under the Code notwithstanding that his tenure would extend beyond nine years, noting that he continued to be independent in character and judgement and offered a strong contribution to discussions and debate at Board and RemCo level.

Information

All directors receive accurate, timely and clear information on all relevant matters and have access to the advice and services of the Chief Governance Officer and Company Secretary. External advice is provided to the Board as required, and in 2024 guidance was provided in relation to matters including the retail share offering. In addition, all directors are able, if necessary, to obtain independent professional advice at the company's expense.



Board oversight of strategy and culture


The Board is responsible for establishing the strategic direction of NatWest Group and oversees execution of the strategy. In 2024 the Board held three dedicated sessions to consider the strategy of NatWest Group, as well as reviewing key elements throughout the year at its scheduled meetings. Proposals by management and resources required for successful implementation were discussed. At the first session, macro-level matters were considered, such as customers’ evolving needs and behaviours, the current and potential competitive landscape, and the importance of the right business. The features of an agile and future-fit technology platform were also discussed. The external environment and risk landscape were also considered. The second and third sessions were focused on delivery of the strategy, at both the bank-wide and segment levels (including technological enhancements). Consideration was also given to resource allocation and the required budget to support successful delivery.

The Board leads the development of NatWest Group’s culture, values and standards and is responsible for assessing and monitoring the culture. These responsibilities have been fulfilled in several ways in 2024 (as detailed in the table opposite), supported via NatWest Group’s Culture Assessment Framework which is aligned to both performance culture drivers and ethics, conduct and compliance. In anticipation of the forthcoming Code requirement for boards to assess how culture has been embedded across the organisation, enhancements to the culture assessment report have been agreed, effective from January 2025.

The Board is responsible for establishing NatWest Group’s purpose, as well as the strategic direction, and detailed consideration was given to this in 2024. It was agreed that the bank’s culture, brand and purpose would all need to align with the strategy, consistently focusing on the customer. Proposals were considered by the Group Sustainable Banking Committee and subsequently the Board. Discussions were informed by a variety of factors including current market practices, directors’ personal reflections, and the output of engagement with internal and external stakeholders (including focus groups and in-depth interviews with samples of colleagues and customers). The Board also considered illustrative examples of the purpose and communication strategies for different stakeholder groups. The final purpose statement (The bank that turns possibilities into progress) was approved by the Board in September 2024.

The Board has confirmed support for the strategy, centred around the three strategic priorities of disciplined growth, bank-wide simplification and active balance sheet and risk management. The Board reviewed the proposed stakeholder engagement approach to the strategy, purpose and culture to ensure there was consistent but tailored messaging.

It was noted that the strategy would be supported by a refreshed core behaviours framework, which will be rolled out during 2025. Proposals will be presented to the Board following collaboration with internal and external stakeholders.

 **For further information on the Board’s decisions in relation to the strategy, refer to the s172(1) statement on pages 32 to 33 of the Strategic report.**

The Board assesses and monitors NatWest Group’s culture in a variety of ways, as described below.

Board reporting on culture	
What did the Board receive?	Key areas of focus and outcomes
Culture assessment reports	The Culture assessment report to the Board includes a wide range of metrics and assesses culture based on the NatWest Group culture assessment framework. The framework is aligned to both performance culture drivers and ethics, conduct and compliance. In December, the format of the report was reviewed and an evolved assessment framework was agreed which will be implemented in Board reporting from January 2025.
Our View colleague engagement survey results	Insights from the Our View colleague engagement surveys conducted in April and September are provided to the Board bi-annually. Colleagues responded to questions across the whole colleague experience including wellbeing, building capability, leadership and ethics and integrity. Strong results were noted, with targeted action plans in place to drive improvements.
Colleague Advisory Panel reports	Feedback on discussions from Colleague Advisory Panel (CAP) meetings held in May and November are provided to the Board by the CAP Chair. Topics discussed in 2024 included executive remuneration and the wider workforce, the new performance management system Beyond, NatWest Group’s evolving purpose and responsible AI.
Culture strategy	As part of the Board strategy sessions careful consideration was given to the cultural shift required to deliver the renewed strategy. External case studies of cultural transformation informed discussions, as did extensive internal diagnostic work undertaken by management.
Purpose	The impact on culture of the refreshed purpose was a key consideration by the Board. It reviewed the output of research undertaken with colleagues on the proposed purpose statement and management’s planned approach to embed the new purpose in the bank’s culture.
Evaluating ethics	The Group Sustainable Banking Committee received an annual update on business ethics within NatWest Group, which is a key part of the culture assessment framework.

How the Board engaged with stakeholders

The Board reviews and confirms its key stakeholder groups for the purposes of section 172 annually.

For 2024, the key stakeholder groups remained investors, customers, colleagues, communities, regulators and suppliers. The Board's agenda and engagement plans were structured to enhance its understanding of stakeholders' views and interests. This in turn has informed Board discussions and decision-making. The Chair also provided regular updates to the Board on meetings with regulators, key stakeholders and other relevant bodies including clients, financial institutions, advisers, and government representatives.

Our section 172(1) statement on pages 32 to 33 describes how stakeholder interests have been considered in Board discussions and decision-making, including principal decisions. In addition to the examples highlighted in the Strategic report, the Board engaged with the views and interests of stakeholders in a variety of other ways, as described in detail below.



Investors

How the Board engaged

The Board engaged with investors in a variety of ways during 2024. As well as receiving regular updates on investor activity and share price performance, directors had the opportunity to engage with private shareholders at two virtual shareholder events and at the Annual General Meeting. Directors also held roundtable discussions with representatives of three institutional investors, enabling a valuable two-way dialogue on a range of topics including the investors' views of NatWest Group's financial performance, strategic priorities, and ESG matters. UKGI also had the opportunity to meet Board committee chairs bi-laterally to support it in discharging its stewardship responsibilities.

Following his appointment as Chair, Rick Haythornthwaite undertook an active programme of engagement with institutional investors which continued throughout the year.

The Chair of the Group Performance and Remuneration Committee and senior members of management met with institutional shareholders, UKGI, proxy advisers and the UK regulators in late 2024 to discuss the triennial review of the directors' remuneration policy.

Outcome of engagement

Direct engagement with both private and institutional shareholders offers directors an ideal opportunity to understand key areas of interest. This was further informed by the output of an investor perception study which was considered by the Board. The findings of this survey were also helpful in informing external messaging and our approach to engagement with investors.

Feedback from shareholders (both direct and indirect) supported directors' understanding of investor sentiment, and informed communications strategies and external disclosure priorities.

Common themes of importance to shareholders were considered by directors throughout the year, in particular during discussions on the strategy of NatWest Group.

The feedback received on the refreshed directors' remuneration policy was valuable in helping shape the policy to align with expectations of external stakeholders.



Customers

How the Board engaged

The Board received regular updates from the Group CEO and business CEOs on customer engagement activity and sentiment, including Competition and Markets Authority survey results and Net Promoter Scores. The Board also received a report on the volume of complaints received and common themes.

During discussions with the Regional Board Chairs the directors heard about customers' concerns and opportunities at a local level. Directors also had opportunities throughout the year to attend customer listening sessions and recordings, one of which was an attempt to defraud a customer. Through live demonstrations by management the Board was able to better understand innovations underway in the mobile app and the virtual assistant Cora.

In her role as Consumer Duty Board Champion, Roisin Donnelly reported at each Board meeting on relevant matters and discussions with management.

During his programme of regional visits the Chair met with a range of customers from the UK and abroad. Customers also attended dinners hosted by the Chair during the year. The Chair reported to the Board the main themes evident from these engagement opportunities.

Outcome of engagement

Regular discussions on customer behaviour, sentiment and feedback provide directors with rich insights into how the bank can best support customers at present and in the future, and how the bank can satisfy its Consumer Duty obligations. Hearing directly from customers offers firsthand examples of the challenges they face and the work of colleagues to support them.

Gaining an insight into how financial crime is evolving enables directors to understand how it is being managed and how colleagues are helping customers. This in turn impacts strategic and risk conversations.

The reports of the Consumer Duty Board Champion supported the Board in discharging its collective responsibility in this respect.

How the Board engaged with stakeholders continued

**Regulators****How the Board engaged**

Engagement with regulators in 2024 occurred via bi-lateral and collective meetings on a range of topics. Directors engaged regularly through continuous assessment and proactive engagement meetings with the supervisory teams at the PRA and FCA respectively. Directors also participated bilaterally in regulatory review activity when requested. Representatives of the PRA joined the Board meeting in July to present the outcome of its annual Periodic Summary Meeting (PSM).

During the year the Board also considered key regulatory submissions such as the Operational Resilience Self Assessment.

Outcome of engagement

The bi-lateral meetings are an opportunity to discuss in more depth areas of directors' expertise and interest with the regulators. Participation in specific reviews or deep dives by the regulators allows directors to discuss matters in more detail to support the regulatory agenda.

Following receipt and review of the outcome of the PSM, the Board was able to understand the key areas of regulatory concern and agree an approach to how these would be addressed.

Following discussion with management, including input from the second and third lines of defence, the Board approved important regulatory submissions.

**Communities****How the Board engaged**

During the visit to India in March 2024, the Board undertook a variety of community engagement sessions. These included spending time at the Vidya School in Gurugram (which provides high quality public-school education to under-privileged children) and the 'I am Gurgaon' project in the city (which is seeking to improve the local ecosystem and reduce the risk of flooding). In addition, directors also participated in a Climate Action Roadshow during their time in India. This showcased active environmental projects supported by colleagues, and included contributions from non-government organisations and beneficiaries of the projects.

As part of the Board's annual training programme, Transition Value Partners provided a dedicated session on climate. This explored how NatWest Group could support broader climate transition, via engagement with external stakeholders on public policy and the use of internally available data to support decision-making.

Outcome of engagement

The valuable insights gained by directors into the community support initiatives undertaken in India provided a deeper understanding of the impact NatWest Group and its colleagues have in the country. The knowledge shared informed directors' approach to a range of topics including climate activities in the UK and how best to support colleagues in India.

Expanding their knowledge of climate matters ensures the directors meet their regulatory requirements and are able to make better informed decisions on such matters.

**Suppliers****How the Board engaged**

The Board and its committees received regular updates from management on key supplier and partnership relationships and the infrastructure in place to support and engage with third parties.

During their visit to India, directors also met with representatives of a variety of suppliers to hear of their experiences in dealing with NatWest Group and how colleagues might meet future expectations.

During a supplier spotlight with the Group Sustainable Banking Committee, discussions centred around sustainability enhancements to the Supplier Charter and procurement processes, work being undertaken to meet our Human Rights obligations and maturing supply chain decarbonisation.

Outcome of engagement

As well as fulfilling their regulatory obligations in this area, the direct engagement with suppliers enabled directors to build their knowledge of suppliers' experiences with NatWest Group, and how this was impacted by location. It also highlighted to the Board the varied work undertaken by colleagues to support suppliers and partners.

Engagement with suppliers on matters of importance to NatWest Group enables collaboration towards achieving shared benefits.

How the Board engaged with stakeholders continued



Colleagues

How the Board engaged with colleagues

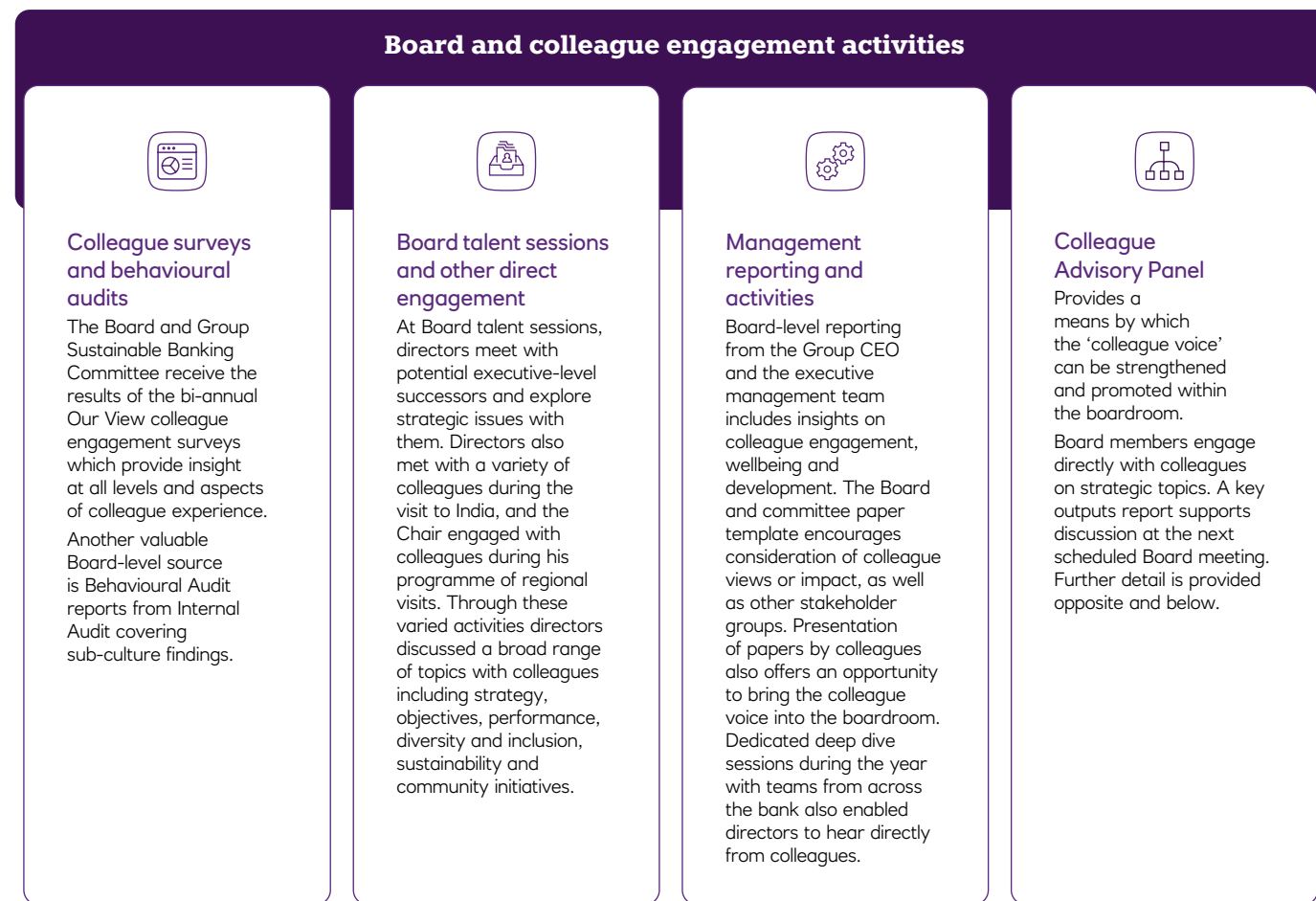
The Board continued to engage with colleagues through our multi-channel colleague listening approach with a variety of listening and reporting tools. These tools – set out opposite – all contributed to promoting the colleague voice in the boardroom. This multi-channel approach aims to provide representation from across the bank and guards against the risks of relying on a single source to gather views.

Our Colleague Advisory Panel

With regards to Provision 5 of the Code, we have adopted a formal workforce advisory panel as our chosen method of engagement with the workforce.

NatWest Group's Colleague Advisory Panel (CAP) was set up in 2018 to help promote the colleague voice in the boardroom. Since April 2023 it has been chaired by Roisin Donnelly, one of our non-executive directors who is also a member of SBC and RemCo which often consider colleague-related topics. Each meeting is attended by at least two other directors, and following each meeting Ms Donnelly provides a report to the Board to update all directors on discussions and colleague sentiment.

Through the CAP, colleagues can engage directly with the Board on topics which are important to them. In the context of the CAP, 'colleagues' means all permanent employees and members of the wider workforce e.g. temporary employees and agency workers. The CAP is made up of 28 colleagues who are self-nominated and are representative of the bank's population e.g., business area, level, location, working



pattern and employee-led networks. Ms Donnelly has met all CAP members individually which further supports a strong colleague voice in the boardroom.

The CAP met with representatives from the Board twice in 2024, in May and November. Panel members and directors shared views on executive remuneration and the wider workforce, the new performance management approach Beyond, evolving our purpose, and responsible AI. The CAP Chair reported

to the Board on those discussions in June and December and followed up with Panel members post-Board, ensuring a continuous feedback loop.

The CAP continues to be highly regarded by those who attend and has proven to be an effective way of establishing two-way dialogue between colleagues and Board members.

The effectiveness of Board stakeholder engagement mechanisms is considered

periodically as part of the Board effectiveness review process.

Further information on NatWest Group's approach to investing in and rewarding its workforce can be found on pages 35 to 37 of the Strategic report and page 143 of the Directors' remuneration report.

Further information on how CAP members and directors engaged on remuneration matters can be found in the Directors' remuneration report on page 144.

Composition and succession

Composition

The Board is structured to ensure that the directors provide the company with the appropriate combination of skills, experience, knowledge and diversity, as well as independence. Board committees also comprise directors with a variety of skills and experience so that no undue reliance is placed on any one individual.

The Group Nominations and Governance Committee (N&G) makes recommendations to the Board on director appointments and Board committee membership. Further information on Board recruitment and Board committee membership changes can be found on page 86 and in the N&G report on page 106.

In December 2024 N&G recommended, and the Board approved, an enhanced version of our Board skills matrix, which was developed using a new technology tool. A summary view of the 2024 Board skills matrix can be found on page 87 and further information is available in the N&G report on page 106.

The Board operates a boardroom inclusion policy which reflects NatWest Group's values, its inclusion guidelines and relevant legal or voluntary code requirements.

Our boardroom inclusion policy aims to promote diversity and inclusion in the composition of the Boards and Board committees of NatWest Group plc, NWH Ltd, NWB Plc and RBS plc and in the nominations and appointments process.

A copy of the policy is available at natwestgroup.com and details of our progress against its objectives are set out in our UK Listing Rules disclosures on page 87. The N&G report describes how diversity and inclusion have been considered in its activity during the year.

Succession

N&G supports the Board in ensuring adequate succession planning for the Board, so as to maintain an appropriate balance of skills and experience.

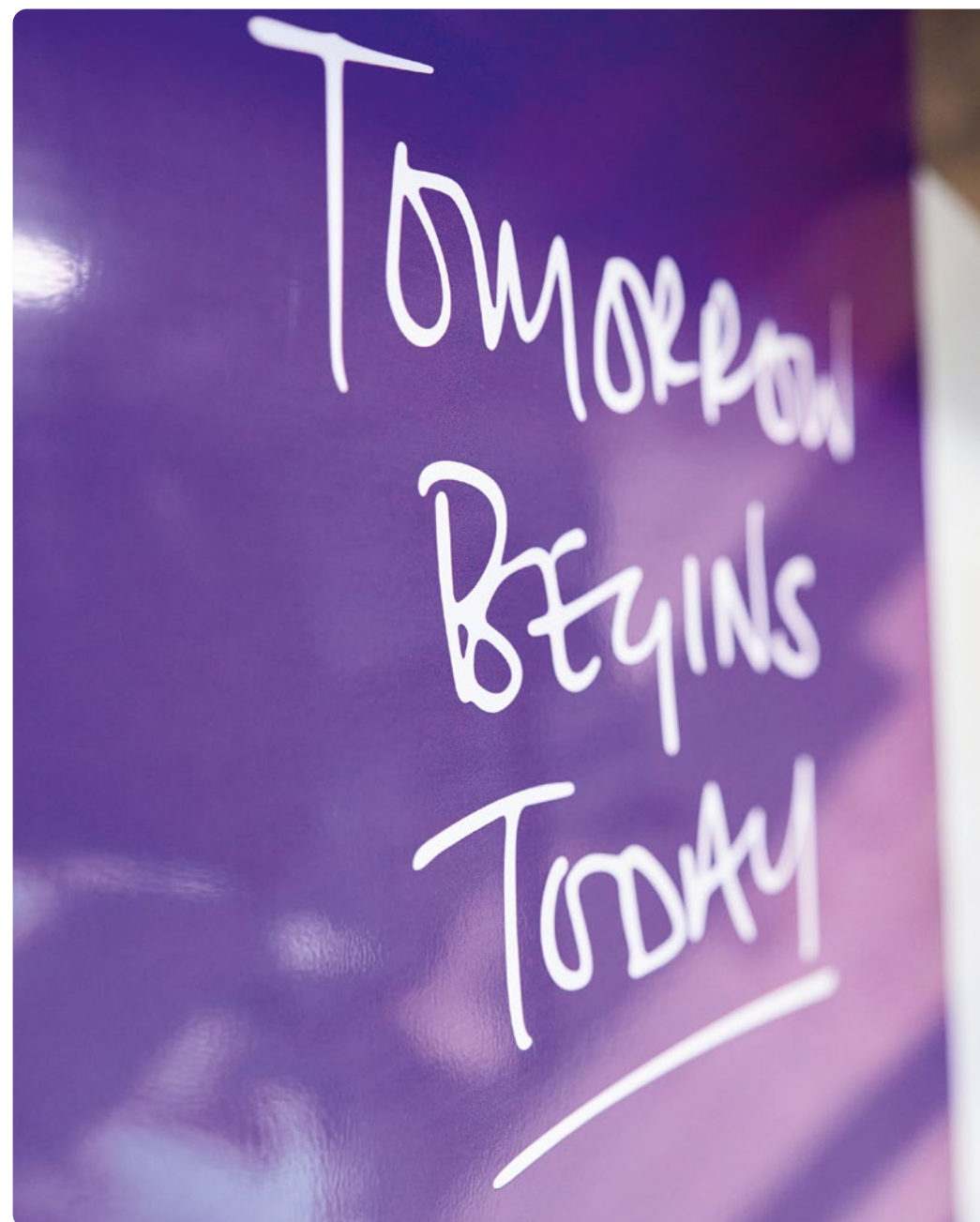
In December 2024, following review and recommendation by N&G, the Board approved succession plans for the roles of Senior Independent Director and Board committee Chairs. These set out orderly transition plans and contingency arrangements which could be implemented in case of an emergency. These succession plans are reviewed by N&G and approved by the Board at least once a year.

With effect from 1 May 2024, the Board delegated responsibility for oversight of executive succession planning to N&G, aligned to Provision 17 of the Code. Further information on executive succession planning is available in the N&G report on page 107.

Election and re-election of directors

In accordance with the provisions of the Code, all directors will stand for election or re-election by shareholders at the company's AGM, with the exception of Mark Seligman, who will retire on 31 March 2025.

In accordance with the UK Listing Rules, the election or re-election of independent directors also requires approval by all shareholders.



Board effectiveness review

In accordance with the Code, an evaluation of the performance of the Board, its committees, the Chair and individual directors usually takes place annually. The evaluation is externally facilitated every three years, with internal evaluations in the intervening years.

In 2023 the Board decided to defer the internal evaluation of Board and committee effectiveness due in Q4 2023 until 2024, given the July 2023 change in Group CEO and upcoming Chair succession. The most recent external evaluation was conducted in 2021, and therefore the 2024 process was due to be conducted externally in accordance with the three-year cycle set out in the Code.

2024 Board effectiveness review process

1

Appointment of an external facilitator

In June 2024 N&G agreed a shortlist of potential external facilitators for the 2024 Board effectiveness review.

Following a competitive tender process N&G recommended, and the Board approved, the appointment of Boardroom Review Limited (BRL), noting their deep expertise and established track record in the field.

BRL has no other connection with NatWest Group.

2

Objectives and scope

BRL was engaged to conduct a comprehensive review of Board and committee effectiveness, with the Boards and Board committees of NatWest Group plc and the NWH Sub Group all in scope.

The agreed methodology, tailored specifically for NatWest Group, was designed to encourage candid reflections from executive and non-executive directors and executive management on the Boards' current strengths and preparation for future challenges.

The review was led by Dr Tracy Long CBE, director of BRL.

3

Information gathering

Dr Long held initial briefing meetings with the Chair and Company Secretary in order to agree discussion themes and priorities for the review.

Then, during Q4 2024, Dr Long held individual interviews with all NatWest Group plc and NWH Sub Group directors, the Company Secretary and members of the executive management team.

Further information was gathered through:

- Board and committee meeting observations during September and October, including a strategy session and Board dinner.
- Board and committee paper review (last 12 months).
- Review of additional governance materials including key Board policies and processes, and Board and committee Terms of Reference.

4

Presentation of review findings

In December 2024 Dr Long presented the outcomes of the Board effectiveness review to the Board.

A discussion document was circulated to directors in advance, which summarised BRL's assessment of the Board's strengths and priorities, together with challenges and recommendations for the future.

Directors welcomed the opportunity to discuss BRL's findings and recommendations with Dr Long.

‘I was pleased to see the Board fully embrace this year’s review process and that the Board and its committees were found to be operating effectively. We welcome the opportunity to develop further as a high performing Board, building on our strong foundations and responding to the future challenges the review has identified.’

Rick Haythornthwaite, Chair

2024 Board effectiveness review findings

5

Board findings

Directors were pleased to note BRL’s conclusion that the Board is operating effectively.

Strengths

BRL concluded that the Board has a strong platform on which to build, directors are preparing for the future and there is meaningful engagement between executive management and non-executive directors. In particular BRL’s review found that:

- Directors are well led and informed by the new Chair, Senior Independent Director, committee Chairs, CEO, CFO, CRO and ExCo, with diversity of tenure, voice and experience.
- Board time is carefully planned with a healthy mix of formal and informal meetings, interaction with relevant executives and strong support from the legal and governance teams.
- The culture of the Board encourages openness and challenge between the parties.

- There is a shared perspective of the short-medium term strategy and significant domain knowledge and horizon scanning.
- The lines of defence are clear, and relationships with regulators are visible and considered.
- Culture change and transformation are high on the agenda.
- There is a commitment to leadership development and executive succession planning.

Directors noted that the Board’s visit to India, Board strategy sessions, and engagement activity with Regional Board Chairs during 2024 had all received positive feedback during BRL’s review.

The significant attention from the CEO, ExCo and Board to the sustainability agenda was also acknowledged.

Challenges

Challenges identified included:

- ensuring a united Board culture
- future Board composition

- the fast changing landscape (including cyber)
- the impact of culture change on the organisation
- acting on “lessons learned”
- leadership development and executive succession planning.

The Board noted work underway in these areas. Board succession planning continued to focus on enhancing diversity and ensuring the Board possessed the right blend of skills and experience to support future strategy. Board culture was evolving positively under the new Chair’s stewardship and the Chair and non-executive directors had agreed to set more time aside for 1:1 meetings together across the year. In addition, the Board was following management activity on organisational culture closely.

Next steps

At the December Board meeting, the Chair undertook to develop and consult on proposals for further Board consideration and implementation from Q1 2025.

Board effectiveness review continued

6

Board committee findings

BRL found that Board committees are also operating effectively, noting they are:

- used effectively for detailed analysis and debate
- well chaired and attended
- well supported by executive management.

BRL also noted that Board committee members are given high quality information and are fully engaged and willing to devote significant formal and informal time to the issues.

The Board acknowledged there were opportunities to consider the balance of Board and committee agendas, and to review the remit and membership (noting the single sex dynamic) of the Group Sustainable Banking Committee.

BRL also highlighted that the Group Audit Committee's membership was single sex, a dynamic which has since been addressed with Geeta Gopalan joining the committee on 1 January 2025.

7

Individual effectiveness reviews

The Chair met each non-executive director individually to discuss their performance, continuing professional development and contribution to the company's long-term sustainable success. The Chair also shared peer feedback collated as part of the review process.

Separately, the Senior Independent Director, together with the Senior Independent Director of the NWH Sub Group, sought feedback on the Chair's performance from the non-executive directors, executive directors and other key internal and external stakeholders and discussed it with the Chair. This included peer feedback collated as part of the review process.

These reviews concluded that each non-executive director and the Chair continue to contribute positively to the long-term sustainable success of the company.



Report of the Group Nominations and Governance Committee



Members and attendance in 2024

Directors	Scheduled meetings attended
Rick Haythornthwaite (Chair from 15 April 2024)	4 of 4
Howard Davies (Chairman until 15 April 2024)	1 of 1
Mark Seligman	4 of 4
Stuart Lewis	4 of 4
Lena Wilson	4 of 4
Patrick Flynn	4 of 4

In addition to the four scheduled meetings there were three ad hoc meetings. All directors eligible to attend ad hoc meetings were present at those meetings, except for Mr Davies, who recused himself from two of the meetings which were chaired by Mr Haythornthwaite in early 2024, and Mr Flynn who did not attend one meeting due to a prior commitment.

Further information on each principal area of focus can be found on pages 107 to 108.

Dear Shareholder,

As Chair of the Board and Chair of the Group Nominations and Governance Committee, I am pleased to present this report on the committee's activity during 2024.

The committee is responsible for reviewing the Board's structure, size and composition, as well as the membership and chairs of Board committees, and recommends appointments to the Board. It also monitors NatWest Group's governance arrangements to uphold best corporate governance practices and considers developments in banking reform and analogous issues affecting NatWest Group, making recommendations to the Board for any consequential changes to NatWest Group's operating model. In a change from previous years, from 1 May 2024, the approach to oversight of executive succession was aligned to the Code and is now overseen by the committee.

Board recruitment

Board recruitment continued to be a principal area of focus and during 2024 the committee's membership supported comprehensive candidate searches with diversity and inclusion considerations factored into all search criteria. During the search processes, the committee held several discussions on potential candidates, assessing the credentials of each candidate against the qualities and capabilities set out in the role specifications agreed by the committee. Following a rigorous process, the committee recommended Gill Whitehead to the Board for appointment as a non-executive director. The committee continues

to oversee further recruitment activity in respect of the Board and the board of NWH Ltd.

Board skills matrix

The committee agreed to implement a new digital tool, provided by BoardOutlook, to develop a refreshed Board skills matrix in support of its review of Board composition and succession planning. In developing the matrix, the committee considered and agreed the critical and general skills the Board should collectively possess in order to effectively support the organisation's strategic priorities. The revised 2024 Board skills matrix can be found on page 87.

Effectiveness review

In accordance with the Code, an evaluation of the performance of the Board and its committees, including N&G, was conducted by an external facilitator in 2024. The committee conducted the competitive tender process and recommended Boardroom Review Limited be appointed to conduct the review. The committee also discussed and agreed the scope of the review and monitored progress ahead of the findings being issued. Further information on the review can be found on pages 103 to 105.

Subsidiary governance

The committee has also continued to oversee the subsidiary governance framework. Several of NatWest Group's principal subsidiaries made appointments to their boards during 2024, which the committee has approved in accordance with its terms of reference. Korn Ferry, Heidrick & Struggles, Odgers Berndtson and

Principal areas of focus

- ✓ Board and committee composition
- ✓ Board recruitment
- ✓ Succession planning
- ✓ Diversity and inclusion
- ✓ Subsidiary governance

Audeliss have all been engaged during the year to support NatWest Group's board search activity. The firms are members of the retained executive search panel of suppliers (managed by NatWest Executive Search).

I would like to thank Ian Cormack, Senior Independent Director of NWH Ltd, for attending all meetings of the committee in 2024 as an observer and all the committee members and attendees for their commitment and contributions in 2024.

Rick Haythornthwaite

Chair of the Group Nominations and Governance Committee

13 February 2025

Report of the Group Nominations and Governance Committee continued

Principal areas of Group Nominations and Governance Committee focus in 2024

Theme	Principal areas of committee focus	Outcomes
Board and committee composition	The committee supports the Chair in keeping the composition of the Board and its committees under regular review.	The committee supported the Chair's review of Board composition following his assumption of the chair of the committee on 15 April 2024. The extensive recruitment activity overseen by the committee which followed this review culminated in the Board approving the appointment of Gill Whitehead. The changes to the Board and Board committees in 2024 and early 2025 are summarised on page 86.
	Composition is reviewed with reference to the skills and experience of individual directors, ensuring that the Board's collective skill-set remains appropriately balanced and aligned to current and future strategic priorities.	The committee agreed to implement BoardOutlook to support its review of the collective skills and composition of the Board which will be used to inform future recruitment and succession planning and more detail can be found on page 87.
Succession planning	Alongside composition, the committee reviews succession plans periodically to ensure there are up to date contingency plans in place for successors to the Board executive directors, Board and Board committee chairs and the Senior Independent Director.	During 2024, a revised CEO contingency plan was approved given the appointment of Paul Thwaite as permanent CEO in February 2024. The Board and Board committee succession plan was also reviewed, updated and recommended to the Board.
	From 1 May 2024, the committee assumed responsibility for oversight of executive succession within NatWest Group.	The committee also reviewed executive succession planning for CEO-1 level roles and received updates on developments periodically while noting the approach to succession beyond CEO-1 level and the review and bench marking of the holders of the top 150 roles within NatWest Group.
Diversity and inclusion	The Board operates a boardroom inclusion policy which reflects NatWest Group's values, its inclusion guidelines and relevant legal or voluntary code requirements.	Diversity and inclusion have been considered in all of the recruitment overseen by the committee and in its review of executive succession planning in 2024 and, accordingly, as of 31 December 2024, the Board met:
	<p>The policy also acknowledges NatWest Group's ambition to have gender balance in its global top three levels (CEO-3 and above) by 2030, and progress against this ambition is set out on pages 41 to 42 of the Strategic report (Diversity, Equity, and Inclusion).</p> <p>A copy of the boardroom inclusion policy is available at natwestgroup.com.</p> <p>The boardroom inclusion policy ensures that the Board and the committee follow an inclusive process when making nomination decisions. That includes ensuring that the nomination process is based on the principles of fairness, respect, and inclusion; that all nominations and appointments are made based on individual competence, skills and expertise measured against identified objective criteria without bias, prejudice, or discrimination, and that searches for Board candidates are conducted with due regard to the benefits of diversity and inclusion.</p>	<ul style="list-style-type: none"> – the targets set out in UK Listing Rule 6.6.6 (9) (Board and executive management diversity) and disclosures under UK Listing Rule 6.6.6 (9) and (10) can be found on page 87; – the FTSE Women Leaders Review voluntary target of 40% women's representation on boards by the end of 2025, with 45% of the Board being women; – the FTSE Women Leaders Review recommendation (at least one woman in the Chair or Senior Independent Director roles on the board and/or one woman in the Chief Executive Officer or Finance Director role by the end of 2025) by having a woman CFO; and – the recommendation of the Parker Review to have at least one member of the Board being from an ethnic minority background with two such directors. <p>Pages 41 to 42 contain more information on how NatWest Group is creating a diverse, equitable and inclusive workplace, including (in relation to Provision 23 of the Code) the gender balance of senior management and their direct reports.</p>



Report of the Group Nominations and Governance Committee continued

Theme	Principal areas of committee focus	Outcomes
Subsidiary governance	During 2024, the committee reviewed the output of the external board effectiveness reviews of the boards of NWM, RBSI and Coutts & Co. A number of aspects were considered relating to NatWest Group/ subsidiary connectivity, strategy and culture and board succession.	The recommendations from the review were duly considered and actions approved, where appropriate, to improve the operation of the legal entity boards and the effectiveness of the subsidiary governance framework.
	The committee also took the opportunity to consider how the subsidiary governance framework could be optimised to ensure the subsidiaries operate effectively within NatWest Group.	The committee has overseen the establishment of revised governance principles and guidance for the non-executive directors of the boards of its subsidiaries, alongside a comprehensive review of the terms of reference for each of these entities with the support of external legal counsel. Finally, the committee sponsored a review and consolidation of corporate governance collateral for NatWest Group aimed at optimising policy and guidance material in support of a unified culture of governance across NatWest Group’s legal entities and customer businesses.



Report of the Group Audit Committee



Members and attendance in 2024

Directors	Scheduled meetings attended
Patrick Flynn (Chair)*	5 of 5
Stuart Lewis	5 of 5
Mark Seligman*	5 of 5

In addition to the five scheduled meetings held, there was one ad hoc meeting. All directors eligible to attend ad hoc meetings were present.

* 'Financial experts' as defined in the SEC rules under the US Securities Exchange Act of 1934 (the 'Exchange Act') and the requirements of the New York Stock Exchange, and that they have competence in accounting and/or auditing as required under the Disclosure Guidance and Transparency Rules. The Board is satisfied that all GAC members have recent and relevant financial experience and are independent as defined in the SEC rules under the Exchange Act and related guidance. On appointment with effect from 1 January 2025, Geeta Gopalan was also considered to be a 'Financial expert'.

Dear Shareholder,

I am delighted to provide an overview of the Group Audit Committee's (the committee or GAC) activities and responsibilities throughout 2024.

Firstly, I extend my gratitude to my colleagues, Stuart Lewis and Mark Seligman, for their contributions to the committee. Additionally, I would like to express appreciation for the insights provided by Ian Cormack and Mark Rennison, non-executive directors and members of NatWest Holdings (NWH) Audit Committee, who attend GAC meetings in an observational capacity. Geeta Gopalan joined GAC with effect from 1 January 2025.

The committee's fundamental role is to supervise and challenge management's approach to the preparation of financial results, as well as the disclosure of relevant financial and non-financial information. This oversight encompasses the evaluation of the application of accounting policies, the scrutiny of internal control standards related to financial reporting and accounting, and their effectiveness, and the review of quarterly disclosures prior to release.

During 2024, the committee's most significant areas of focus included the adequacy of provision in respect of expected credit loss (ECL), the robustness of the control environment, and enhanced oversight of non-financial reporting. Further details can be found in the tables on the following pages.

Whistleblowing

In my role as whistleblowers' champion for NatWest Group, I regularly receive updates on the effectiveness of the whistleblowing framework, prevalent themes in reports submitted by colleagues through the systems, and the tracking of outcomes from the most significant cases. The committee is responsible for supervising the independence, autonomy, and effectiveness of NatWest Group's whistleblowing policies and procedures. There is a suitable dissemination of information to the principal subsidiaries to ensure a cohesive approach across NatWest Group.

Internal and External Audit Oversight

Throughout 2024, the committee maintained oversight of the external auditor and the Internal Audit function. Formal evaluations were conducted at year-end through an internal process, and the committee reviewed synopses of the feedback provided by relevant stakeholders. Additional details regarding the oversight provided can be located in the tables on pages 110 to 114.

Effectiveness review

In accordance with the Code, an evaluation of the performance of the Board and its committees, including the GAC, was conducted by an external facilitator in 2024. Further information on the review can be found on pages 103 to 105.

Patrick Flynn

Chair of the Group Audit Committee

13 February 2025

Principal areas of focus

- ✓ Systems of Internal Control (financial management, reporting, and accounting issues)
- ✓ Financial and non-financial reporting
- ✓ Significant judgements and estimates
- ✓ Oversight of internal and external audit

Report of the Group Audit Committee continued

Principal areas of Group Audit Committee focus in 2024

Systems of internal control

The committee placed significant emphasis on the internal control systems concerning financial management, reporting, and accounting issues. Throughout 2024, it received regular reports on this and assessed the efficiency of NatWest Group's internal control systems, encompassing any notable deficiencies or shortcomings.

Matter	Role of committee and context of discussion	How the committee addressed the matter
Sarbanes-Oxley Act of 2002	To consider compliance with section 404 of the Sarbanes-Oxley Act of 2002.	The committee received periodic updates on the bank's internal controls over financial reporting throughout 2024, enabling ongoing monitoring of progress and providing support for management's year-end conclusions. Updates from management regarding control deficiencies that emerged during the year and resolution of those outstanding from 2023 were also received. The committee maintained oversight of the plans and transition toward more automated preventive key controls. Furthermore, regular updates from EY regarding their assessment of the Sarbanes-Oxley Act compliance and the status and rating of control matters were also provided.
Regulatory and financial returns	To assess the controls and procedures implemented by management for adherence to regulatory and financial reporting standards.	As part of management's ongoing work to strengthen the financial reporting control environment in 2024, the committee continued to monitor the implementation of the findings of the industry-wide skilled person's review of regulatory returns, including review of the operational and market risk regulatory reporting conducted during 2024. The committee will continue to oversee delivery against these most recent findings in 2025.
Control environment	To evaluate the control environment ratings of the businesses, functions, and significant subsidiaries, and to assess management's efforts in preserving or enhancing the control environment in respect of financial management, reporting and accounting.	<p>The committee noted that the overall control environment retained its satisfactory rating during 2024. The GAC noted the incorporation of the available guidance and tools, contained within the Enterprise-Wide Risk Management Framework to deliver an improved control environment assessment process which will be applied from 2025.</p> <p>The committee received updates regarding the acquisition capabilities of NatWest Group and operational tax procedures.</p> <p>Quarterly reports were received from the chairs of audit committees of material regulated subsidiaries, providing oversight of material risk and control matters and a channel for escalation of issues. Throughout the year, the GAC Chair held quarterly meetings with the Chairs of the subsidiary audit committee meetings to facilitate consistency and to share key themes discussed.</p>
Early event escalation	To oversee control breaches identified through the internal event escalation process.	The committee received semi-annual updates on the volume and nature of the most significant control incidents escalated through the internal early event escalation process, as well as any recurrent themes. Throughout the year, all Board directors were informed about the most significant events through ad-hoc real time escalations.
Legal and regulatory reports	To note material legal investigations (existing and emerging) and their effects on financial reporting; and to supervise the bank's interaction with pertinent regulatory authorities such as the FCA and PRA.	The committee was provided with quarterly reports outlining new and ongoing significant investigations and litigation cases. They assessed the sufficiency of provision levels and the disclosures regarding potential legal issues and found them to be satisfactory. Additionally, the committee was briefed on ongoing regulatory investigations, current and anticipated areas of regulatory attention, and the nature of the interactions with the primary regulators. The committee was pleased by the overall reduction in the volume and value of outstanding of conduct and litigation matters to the extent that it supported management's proposal to remove these provisions as a critical estimate.
Other standards of control	In addition, the committee receives regular updates on matters pertinent to NatWest Group's standards of internal control.	<p>The committee received an update on the bank's tax position and discussed matters including tax provisioning levels, significant provided and unprovided tax risks and deferred tax assets. For deferred tax, this considered sustainable profitability, the period of assessment, and changes against previous estimates.</p> <p>The GAC reviewed the disclosure on internal control matters in conjunction with the related guidance from the Financial Reporting Council.</p> <p>The committee received updates about the work undertaken to meet the internal control declaration requirements for the UK Corporate Governance Code that would be required to be in place for 2026 reporting, particularly in respect of the definition of a material control. The committee will continue to review progress against these requirements during 2025.</p>

Report of the Group Audit Committee continued

Financial and non-financial reporting

The GAC evaluated various accounting judgements and reporting matters during the development of NatWest Group's financial reporting in 2024. The committee examined the quarterly, interim, and annual results announcements, the annual reporting suite, and other key financial and non-financial publications for submission to Board for approval. This encompassed climate-related and ESG disclosures incorporated into a single Sustainability report, with attention given to the controls governing the formulation of these publications.

Matter	Role of committee and context of discussion	How the committee addressed the matter
Expected credit losses	To scrutinise and question management's assessments regarding credit impairments and the fundamental assumptions, methodologies, and models utilised, as well as any necessary post-model adjustments (PMAs). The influence of macro-economic risks on the credit landscape was also discussed.	The GAC discussed management assumptions, methodologies, and PMAs used for provisions under IFRS 9. Despite an improved economic outlook, the importance of longer dated risks to the economy were discussed. The committee found industry benchmarking data to be valuable in shaping its deliberations and determined that ECL aligned with peer benchmarks. Default rates remained lower than anticipated, with the PMAs focused on addressing modelling gaps and risks, and implementing necessary adjustments. The PMAs underwent quarterly review to ensure their appropriateness and accurate reflection of judgements, models, and data. The committee plans to maintain its scrutiny of PMAs in 2025. Overall, the committee determined that while models are a fundamental component of IFRS 9, they are unable to encompass all potential scenarios, particularly those not observed in the recent past. The GAC emphasized the continued importance of exercising judgement in establishing these provisions, with PMAs serving as a critical tool in facilitating this process.
Provisions and disclosures	To consider the level of provisions for regulatory, litigation and conduct issues throughout the year.	The committee reviewed the levels of provisions during the year for regulatory, litigation and conduct matters, and was satisfied these were appropriate. There were new provisions taken during the year in relation to restructuring activity, existing customer redress programmes, and payments to the Crown Estates in respect of dissolved companies.
Viability statement and the going concern basis of accounting	To review NatWest Group's going concern and viability statements.	The GAC examined evidence of NatWest Group's capital, liquidity, and funding position, and assessed the framework supporting the evaluation of principal risks. The committee evaluated NatWest Group's outlook in this context, the identified principal and emerging threats (including climate risk), and the ongoing macroeconomic developments, such as Middle-East and European political volatility. FRC guidance was integrated into the formulation of the viability statement for NatWest Group. The committee endorsed both the going concern assessment and viability statement for submission to the Board.
Fair, balanced and understandable	To oversee the review process which supports the committee and Board in concluding that the disclosures in the Annual Report and Accounts and other elements of the year-end reporting suite of documents, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.	The committee supervised the review procedure for the year-end disclosures, encompassing central oversight and coordination of the Annual Report and Accounts and other disclosures managed by the Finance function. The documents were reviewed by the Executive Disclosure Committee before being considered by the GAC and underwent a management certification process for the year-end reporting suite. The committee assessed whether the annual, interim, and quarterly disclosures adhered to the requirements of the UK Corporate Governance Code, ensuring they were deemed to be 'fair, balanced, and understandable'. It consistently determined that the releases met the necessary criteria. The external auditor also examined the statement as part of the year-end processes and endorsed NatWest Group's position. The committee received quarterly reports in respect of the most significant accounting judgements and estimates and receive summary from management which outlines why the reporting suite taken as a whole is considered to be fair, balance and understandable.
Non-financial reporting	To review the principal non-financial disclosures made by NatWest Group and to ensure appropriate controls are in place to support the preparation of the information. These disclosures include the Sustainability report, which includes the Climate transition plan disclosure.	<p>The committee oversaw the ongoing enhancement of the sustainability reporting control framework, which underpins non-financial disclosures. The GAC deliberated on and provided input regarding the Sustainability report. This also includes an overview of the progress made towards the Climate transition plan.</p> <p>The GAC discussed the intended approach to comply with new standards for sustainability disclosures in both the EU and the US, due for implementation between 2026 and 2028 with increasing assurance requirements. It was noted that many emissions estimates and climate metrics were still at an early stage of development and did not yet have the same level of maturity as those prepared under accounting standards. The GAC also received a detailed teach-in, with Group Sustainable Banking Committee, on the basis of the calculation of financed emissions in July 2024.</p> <p>Reflecting on peer approaches and the expected evolution of the approach to Climate transition plans and targets, the committee encouraged a more positive narrative on the achievable nature of targets related to carbon emissions within the direct control of NatWest Group and recognition of its advocacy role in relation to the reduction of estimated financed emissions and emissions intensities.</p>

Report of the Group Audit Committee continued

Internal Audit

The GAC is responsible for overseeing the Internal Audit function, monitoring its effectiveness and independence.

Matter	Role of committee and context of discussion	How the committee addressed the matter
Quarterly opinions	To review quarterly opinions regarding the performance of the governance, risk management, and internal control framework, existing challenges, and the sufficiency of corrective actions.	Throughout the year, the committee received quarterly opinions from Internal Audit. Internal Audit also highlighted any material or emerging concerns identified during their audit activities. A key outcome of these discussions was clarification of accountability across all three lines of defence to address the findings from Internal Audit reviews which had resulted in a delayed resolution of a proportion of issues raised by Internal Audit, either through delivery of management actions plans which did not address fully the risks highlighted, or through delays in the completion of remediation activity. While this did not immediately result in a reduction in the overall level of delayed remediation, it did make an immediate improvement to closure validation rates. The committee thoroughly deliberated on Internal Audit's assessment of the robustness of the control environment which was assessed as of an acceptable standard.
Annual plan and budget	To agree Internal Audit's annual plan and budget before the commencement of each year, as well as any significant adjustments necessary during the year.	In December 2023, the committee approved the focus of the Internal Audit plan on the bank's most high-risk areas. This had changed from a remediation focus to those risks to the successful delivery of the NatWest Group's strategy, following the closure of significant legacy issues and the achievement of an acceptable control standard. The 2024 budget remained consistent with the prior year, reflecting efficiencies secured within the function. Subsequently, in December 2024, the committee approved Internal Audit's plan and budget for 2025.
Internal Audit Charter and independence	To approve the Internal Audit Charter each year and reviews the independence of the Chief Audit Executive (CAE) and function as a whole.	The GAC reviewed and approved the Internal Audit Charter which was consistent with prior years. The committee also noted the Independence Statement and confirmed the independence of Internal Audit in December 2024.
Performance evaluation	To monitor and review, at least annually, the effectiveness of Internal Audit.	In 2024 the CAE continued to report to the GAC Chair with a secondary reporting line for administrative purposes to the Group CEO. The GAC assessed the annual performance (including risk performance) of the function and CAE. The 2024 evaluation of the Internal Audit function was carried out internally. Stakeholders across the bank, including the GAC members, attendees and the external auditors, were invited to provide feedback, identifying areas of particular strength and those for enhancement. The overall findings were positive, and the Internal Audit function was found to be operating effectively with some opportunities to improve in respect of visibility of its leadership team and the reporting provided to the committee. An external assessment was performed in 2023. As a result of this evaluation a new internal audit management system was introduced in 2024. Progress on recommendations made from each evaluation will be overseen by the GAC in 2025.
Visit	To undertake an annual deep dive session with members of the Internal Audit leadership team.	Together with the BRC, the GAC participated in a successful deep dive session with Internal Audit's management team. A variety of issues impacting the function were discussed, including the bench strength of the function and the increased use of data and analytics techniques, including data mining and use of Generative AI techniques. The committee agreed to increase their visibility of the Internal Audit Leadership Team through their presentation of quarterly opinions on a semi-annual basis which started in Q3 2024.

Report of the Group Audit Committee continued

External Audit

The GAC has responsibility for monitoring the independence and objectivity of the external auditor, the effectiveness of the audit process and for reviewing the bank's financial relationship with the external auditor and fixing its remuneration. The committee has overseen the process to move to NatWest Group's new auditor, PwC, ahead of their appointment from 2026. The GAC complied with the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard and the Statutory Audit Services for Large Companies Market Investigation Order 2014 for the year ended 31 December 2024.

Matter	Role of committee and context of discussion	How the committee addressed the matter
External Audit reports	To review reports prepared by the external auditor in relation to NatWest Group's financial results and control environment.	The committee received quarterly reports on the review-related work and conclusions of the external auditor. The reports included EY's view of the judgements made by management, compliance with international financial reporting standards, and the external auditor's observations and assessment of effectiveness of internal controls over financial reporting.
Audit plan and fees	To consider the scope and planning of the external auditor in relation to the audit of NatWest Group. It is authorised by the shareholders to fix the remuneration of the external auditor.	The GAC reviewed EY's 2024 plan. It welcomed the external auditor's focus on ECL, the valuation of financial instruments with higher risk characteristics, the pension valuation and the net pension balance and IT access management. In line with the authority granted to the committee by shareholders at the 2024 Annual General Meeting to fix the remuneration of the external auditor, the GAC approved the audit fees for the year including the fee for the 2024 interim results. The committee received confirmation from the external auditor that the fees were appropriate to enable delivery of the required procedures to a high quality.
Annual evaluation	To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration all relevant professional and regulatory requirements.	<p>The evaluation of the external auditor's performance in 2024 was undertaken to assess the independence and objectivity of the external auditor and the effectiveness of the audit process. The GAC members, attendees, finance directors of businesses and functions, and key members of the Finance Team were consulted as part of the evaluation.</p> <p>Stakeholders were invited to assess the external auditor's independence, engagement, provision of robust challenge, bench strength and reporting. The evaluation concluded that the external auditor was operating effectively and with objectivity. Key strengths included the effectiveness of the lead audit partner rotation and the knowledge and skills of the senior team with opportunity to improve the strength of more junior team members. The evaluation also included consideration of the audit quality reviews conducted by the FRC and the Public Company Accounting Oversight Board (PCAOB) during the year and as part of the annual evaluation.</p>
Audit partner	To oversee the lead audit partner and resolution of any points of disagreement with management.	Micha Missakian has been EY's lead audit partner since February 2021 until the end of H1 2024, and was replaced by Javier Faiz. Javier engaged with the Group and shadowed Micha ahead of taking over as Lead Partner. The EY Lead Partner attended all meetings of the committee in 2024 and met in private session with the committee members throughout the year. This provided the external auditor an opportunity to raise any points of disagreement with management. No such points were raised by the external auditor in 2024.
Additional reports prepared by the external auditor	To review reports prepared by the external auditor in relation to NatWest Group.	During 2024 the committee considered the results of the external auditor's assurance procedures on compliance with the FCA's Client Asset Rules for NatWest Group's regulated legal entities for the year ended 31 December 2024. EY also presented the findings of their audit of specific elements of the Sustainability report to the GAC.
Auditor transition	To oversee transition of the external auditor to PwC in 2026.	The committee received bi-annual updates on progress with the transition of external audit services from Ernst & Young to PwC for the 2026 year-end external audit. This included progress on PwC achieving independence from NatWest Group, developing an understanding of the business of the NatWest Group, and preparations in respect of securing access to the relevant data. PwC will shadow the 2025 year-end audit, which will be completed by Ernst & Young, and will attend GAC meetings from July 2025.

Report of the Group Audit Committee continued

Matter	Role of committee and context of discussion	How the committee addressed the matter
Non-audit services	To review and approve, at least annually, NatWest Group's policy in relation to the engagement of the external auditors to perform audit and non-audit services (the policy).	<p>All audit and non-audit services are approved by, or on behalf of, the committee to safeguard the external auditor's independence and objectivity. The GAC reviewed and approved NatWest Group's non-audit services policy in 2024. Under the policy, all audit-related services and permitted non-audit service engagements are approved by the GAC, with updates presented to each scheduled meeting.</p> <p>Where the fee for a non-audit service engagement is expected to exceed £100,000, a competitive tender process must be held; where the fee is anticipated to be £250,000 or more, approval of all GAC members is required. For fees under £250,000, work can be approved on an interim basis by the GAC Chair, subject to subsequent ratification at the next scheduled GAC meeting. The policy permits the external auditor to undertake engagements which are required by law or regulation, or relates to the provision of comfort letters in respect of debt issuance by NatWest Group, provided prior approvals are in place in accordance with the policy. The policy also allows NatWest Group to receive services from EY which result from a customer's banking relationship, provided prior approvals are in place in accordance with the policy. All such approvals are subsequently reported to the GAC. Further details of the non-audit services policy can be found at natwestgroup.com.</p> <p>During 2024, the committee approved fees paid to the external auditor in relation to work required in respect of the proposed retail offering in the shares held by HMT. Information on fees paid in respect of audit and non-audit services carried out by the external auditor can be found in Note 6 to the consolidated financial statements.</p>



Report of the Group Board Risk Committee



Members and attendance in 2024

Directors	Scheduled meetings attended
Stuart Lewis (Chair)	8 of 8
Patrick Flynn	7 of 8
Lena Wilson	7 of 8

Mr Flynn was unable to attend one scheduled meeting due to illness. Ms Wilson was unable to attend one scheduled meeting due to a prior commitment. There were no ad hoc meetings.

Further information on each principal area of focus can be found on pages 116 to 121.

Dear Shareholder,

As Chair of the Group Board Risk Committee (the committee or BRC), I am pleased to present the report of how the committee discharged its responsibilities and its key activities during 2024.

I would like to thank Patrick Flynn and Lena Wilson for their valuable contributions to the committee. I would also like to welcome Geeta Gopalan and Gill Whitehead, who became members on 1 January and 8 January 2025 respectively, and look forward to their contributions. Additionally, I would like to thank Ian Cormack and Francesca Barnes for the insights they provide as non-executive directors and members of NatWest Holdings BRC, attending BRC meetings in an observer capacity.

This report describes how the BRC has fulfilled its role in overseeing and advising the Board in relation to current and potential future risk exposures and risk profile; and in overseeing the effectiveness of risk management frameworks and internal controls required to manage risk. In carrying out this important role, the committee helps support the Board in determining the nature and extent of principal risks NatWest Group is willing to take in order to achieve its long-term strategic objectives.

Principal areas of focus in 2024

During 2024, BRC pivoted to have more focus on its key customer businesses to provide the committee with a holistic view of the risks in each business, and a greater understanding of its overall risk profile, including emerging and principal risks. It encouraged management to consider the risk

and return in each business and ensure intelligent risk taking supported NatWest Group's strategy and ambitions. Areas of focus were closely aligned to regulatory and strategic priorities, and the committee maintained a balance between consideration of strategic risks, as well as oversight of key remediation programmes, and regulatory submissions. Operational risk was a principal area of focus at every meeting during 2024, including the risk and control self-assessment (RCSA) framework, end of life technology, data, and the cloud strategy. BRC continued to support the Board's oversight of NatWest Group's operational resilience self-assessment to ensure it satisfies regulatory requirements and that operational resilience activities are fully integrated across all aspects of NatWest Group.

Model risk was another key area of focus throughout the year. BRC continued to oversee the effectiveness of the Model Risk Management Framework across NatWest Group and received regular progress updates on compliance with Prudential Regulation Authority (PRA) Supervisory Statement SS1/23 (Model Risk Management Principles for Banks). BRC continued its oversight of models, particularly amendments to the Internal Ratings Based (IRB) models, to comply with regulatory changes and received progress updates at every meeting as well as several dedicated spotlights.

The committee also considered updates on NatWest Group's response to external events, focusing on potential exposure and impacts on NatWest Group's supply chain; regulatory compliance; the strategic programme to track and monitor transformation

Principal areas of focus

- ✓ Oversight of risk profile and risk appetite
- ✓ Operational risk, including operational resilience
- ✓ Model risk
- ✓ Financial and strategic risk

activity within the Risk function; the embedding of the enterprise-wide risk management framework (EWRMF); liquidity & funding risk; credit risk; and capital risk, including preparations for the implementation of Basel 3.1. Principal subsidiaries provided quarterly reports to the committee, allowing an opportunity for escalation of any material risk and control matters to BRC.

Further information on key topics considered during the year and areas of focus and challenge by the committee is provided on the following pages.

Effectiveness review

In accordance with the UK Corporate Governance Code, an evaluation of the performance of the Board and its committees, including the BRC, was conducted by an external facilitator in 2024. Further information on the review can be found on pages 103 to 105.

Stuart Lewis

Chair of the Group Board Risk Committee

13 February 2025



Report of the Group Board Risk Committee continued

Principal areas of Group Board Risk Committee focus in 2024

The table below describes the BRC's principal areas of focus in 2024, alongside key outcomes and stakeholders considered.

Theme	Principal areas of committee focus	Outcomes
Operational risk, operational resilience, and information and cyber security	<p>BRC received updates on NatWest Group's performance against operational risk appetite at every meeting in addition to the annual spotlight. Updates included operational resilience, data risk, cloud risk, fraud, manual controls, and end of life systems.</p> <p>The committee considered the operational resilience self-assessment⁽¹⁾ in detail prior to approval by the Board, and on behalf of the Board oversaw NatWest Group's response to the regulatory feedback following the cross-firm thematic review.</p> <p>Updates on information and cybersecurity risk appetite performance were reviewed at every meeting.</p>	<p>BRC closely monitored the implementation of new operational risk appetite measures approved in 2023. It challenged management on remediation work underway to address the causes of risk appetite breaches and the number of high and very high unaccepted risks. Internal Audit confirmed that operational risk management had materially improved and that the risk appetite measures and RCSAs were ensuring visibility of principal risks and the mitigants in place.</p> <p>BRC supported the Board in its oversight of operational resilience, challenging management to ensure regulatory requirements were met and operational resilience activities were fully integrated across NatWest Group. In particular, the committee challenged the severity of scenarios and remediation plans. The committee provided feedback and guidance to management following the cross-firm thematic review and sought to ensure appropriate Board training was provided. BRC also requested additional Board training on operational resilience scenarios to take place in 2025.</p> <p>Throughout the year, BRC continued to challenge management on the reduction of manual controls, particularly in relation to learnings from operational risk events.</p>
Model risk	<p>The committee received reports from management at every meeting on model risk, including the status of the IRB models programme.</p> <p>Additionally, on behalf of the Board, BRC oversaw implementation of the PRA's Supervisory Statement SS1/23.</p>	<p>During 2024, as part of its oversight of SS1/23 implementation, BRC sought assurance from management that NatWest Group's models were appropriate. The committee provided feedback on content to be included in Board training to ensure that all directors understood their responsibilities under SS1/23. BRC challenged management on alignment with SS1/23 and was pleased to receive confirmation from management that NatWest Group was largely compliant.</p> <p>Throughout the year, BRC requested dedicated spotlights on the IRB programme, questioned management on progress against regulatory expectations, and discussed the quantum of temporary model adjustments. The committee also challenged management to ensure that a robust and comprehensive response to regulatory feedback was provided.</p>

(1) Reviewed by BRC in line with the committee's role to review reports and regulatory submissions on behalf of the Board and recommend them for approval.

Report of the Group Board Risk Committee continued

Theme	Principal areas of committee focus	Outcomes
Risk frameworks (including risk appetite and RCSA activity), risk management strategy and Risk function oversight	<p>BRC continued its oversight of NatWest Group's risk frameworks (including risk appetite and RCSA activity).</p> <p>The EWRMF is NatWest Group's primary risk management and risk governance document. BRC received regular updates on the effectiveness of the EWRMF through the risk management report. The EWRMF was reviewed by BRC in December 2024 and recommended to the Board for approval. It was supported by Internal Audit's review of the EWRMF which concluded that it was a comprehensive framework.</p> <p>The committee oversaw the annual refresh of both qualitative risk appetite statements and quantitative risk appetite measures and recommended them to the Board for approval. This included confirmation from management of the effectiveness of the new non-financial risk measures approved in 2023 to drive risk management work on key operational risk topics.</p> <p>BRC received updates on the RCSA Programme at every meeting through the risk management report.</p> <p>Under delegated authority from the Board, BRC approved the enterprise-wide risk management strategy (EWRMS), which defines the strategy for risk management for NatWest Group and received ongoing updates during the year.</p> <p>The committee sought a detailed understanding of Risk30, the strategic programme of transformation activity within the Risk function.</p> <p> Further details can be found in the Risk and capital management section of the report from page 171.</p>	<p>BRC considered and challenged proposed changes to the risk appetite framework, particularly wholesale credit risk limits. BRC also sought and received confirmation from management that all three lines of defence were aligned on the enhancements required to ensure compliance with the forthcoming changes to the UK Corporate Governance Code.</p> <p>The committee considered spotlights on all principal risks during the year. Where relevant, these were considered alongside the holistic views of customer businesses and their risk profiles. Further information on these can be found in the respective sections of this report. The committee also reviewed proposed updates to the key risk policies⁽¹⁾ and approved them under its Board-delegated authority.</p> <p>BRC welcomed confirmation from management that the RCSA Framework was effective, fit for purpose, and operationally effective.</p> <p>Following challenges from the committee regarding the programmes incorporated in the EWRMS, management undertook reviews to ensure they were comprehensive and appropriately prioritised. This ensured that the Board had visibility of NatWest Group's most material programmes, including regulatory remediation programmes, with escalations through the risk management report.</p>
Risk profile and reporting	<p>BRC reviewed and discussed NatWest Group's current and future risk profile relative to risk appetite at every meeting. Key focus areas during 2024 included operational risk and the embedding of the operational risk framework, return on capital, credit risk, and emerging threats.</p> <p>Detailed reports on legal and regulatory developments and litigation risks were considered on a quarterly basis, with an escalation route available at intervening meetings. Quarterly reports were received from the chairs of board risk committees of NatWest Group's principal subsidiaries, providing oversight of material risk and control matters and a channel for escalation of issues. The BRC Chair also joined the meetings of the board risk committees of NatWest Group's principal subsidiaries. Chairs of these committees also joined relevant BRC meetings.</p>	<p>The committee welcomed Risk's continued focus on improving the format and content of the risk management report during 2024. BRC encouraged Risk to continue to progress plans to automate the reporting as well as ensuring that data and metrics were robust.</p> <p>Various matters were escalated to the committee during the year including subsidiary technology stability and testing. The committee sought and received confirmation from management that remediating actions were being taken by NatWest Group management. It also received confirmation that the subsidiary board risk committee was satisfied with the approach.</p>

(1) Risk policies are in place for each principal risk and define, at a high level, the cascade of qualitative expectation, guidance and standards that stipulate the nature and extent of permissible risk taking. They are consistently applied across NatWest Group and subsidiary legal entities and form part of the qualitative expression of risk appetite for each principal risk.



Report of the Group Board Risk Committee continued

Theme	Principal areas of committee focus	Outcomes
Risk profile and reporting continued	<p>The committee held a strategic risk focus session at which top and emerging risks as well as the geopolitical/macroeconomic environment were discussed to understand their strategic impact on NatWest Group. Updates on top and emerging risks were received at every meeting through the risk management report.</p> <p>The committee received an update on intelligent risk taking, which is NatWest Group's approach to risk culture.</p>	<p>Management carried out several reviews during the year to ensure that emerging risks were sufficiently addressed. The committee considered the output of reviews undertaken following the global IT outage caused by a CrowdStrike update, the Court of Appeal's judgement in relation to motor finance commissions, regulatory fines levied against other firms, and the potential impact of geopolitical threats, including on the budget and stress scenarios. BRC requested additional information from management as required.</p>
Control environment	<p>Following the control environment's achievement of a satisfactory rating in 2023, BRC continued to monitor the effectiveness of internal controls required to manage risk. The committee reviewed the H2 2023 control environment certification overview and received updates at every meeting on the control environment ratings of NatWest Group, customer businesses and functions.</p> <p>BRC also reviewed a proposal to change the existing approach to the control environment assessment process and recommended it to the Board as part of the annual EWRMF submission.</p>	<p>BRC welcomed management's proposal to align the control environment assessment process with industry best practice which clarified, simplified, and improved the assessment approach. Management confirmed that the new control environment assessment process will be applied from 2025. The committee sought and received confirmation that Internal Audit supported the proposed changes. BRC challenged management to ensure consistency in the controls testing approach across all three lines of defence, and to simplify and align the approach to ensure that controls were designed effectively, worked efficiently, and were reported consistently.</p> <p>BRC closely oversaw Private Banking's and RBSI's work towards an improved control environment and challenged management on timings and progress. BRC also questioned management on the measures taken to maintain effective controls, with particular focus on financial crime.</p> <p>The committee reviewed and supported management's report on the effectiveness of internal controls required to manage risk.</p>
Outsourcing and third party risk management	<p>BRC maintained oversight of NatWest Group's outsourcing and third party risk management. The committee continued its oversight of NatWest Group's critical and important material outsourced providers. Management of cloud providers and related risks was of particular focus. BRC also received progress updates from management on outsourcing risk standards, policy and framework.</p>	<p>BRC sought and received assurance from management that ongoing external risks, such as supply chain impacts from geopolitical events and cyber breaches in the supply chain, were actively managed and that exit plans were in place. Additionally, the committee received updates from management on regulatory expectations in relation to cloud and supported management's decisions concerning the deployment of cloud-hosted applications. Management also provided an update on more severe scenario testing and the development of supplier-level playbooks incorporating business impact mitigation for prolonged outages.</p> <p>The committee recommended the outsourcing policies for Board approval.</p>

Report of the Group Board Risk Committee continued

Theme	Principal areas of committee focus	Outcomes
Financial and strategic risks	<p>BRC monitored principal financial and strategic risks through risk reporting at every meeting and regular spotlights. NatWest Group's performance in relation to return on capital and risk weighted assets were particular areas of focus throughout the year.</p> <p>BRC reviewed capital, liquidity and funding requirements during 2024 and also reviewed capital distribution proposals prior to Board consideration. Additionally, BRC oversaw the risk management aspects of the programme established in response to the UK Government's announcement that it intended to explore a retail share offer for NatWest Group shares.</p> <p>BRC received separate updates on the retail and wholesale credit risk portfolios, and on traded and non-traded market risk. These spotlights were considered in conjunction with the holistic overview of risks in the Retail and the Commercial & Institutional customer businesses that were presented at BRC during the year. This enabled the committee to understand the risks within the context of broader business themes. The spotlights were in addition to reporting on credit and market risk within the risk management report. The committee also discussed the management response to the Dear CRO letter received from the PRA on Private Equity financing. Additionally, the committee received regular updates on the decisions made by the Executive Credit Group.</p> <p>The committee received reports at every meeting on NatWest Group's performance against risk appetite in relation to climate and nature risk. Additionally, BRC received an annual spotlight.</p> <p>The committee received updates on pension risk appetite at every meeting through the risk management report. The committee also received a dedicated spotlight on pension risk which included a progress update on the buy-in transactions with third party insurers entered into by the Trustee of the NatWest Group Pension Fund during 2024.</p>	<p>Credit risk – In relation to retail credit risk, the committee was pleased to receive confirmation from management that the credit card market portfolio's returns and credit quality were robust. Management confirmed that financial health and customer support was a key focus area and that innovative techniques and technology had been deployed to identify and support customers in financial difficulty. In relation to wholesale credit risk, management confirmed that a regulatory review of the mid-corporate and SME books had concluded satisfactorily, and that overall, the wholesale credit risk portfolio remained robust.</p> <p>Market risk – In response to a challenge from BRC on the appropriateness of the traded market risk limits, management reviewed and revised the existing approach. In relation to non-traded market risk, the committee requested and received an overview of the most material risks to NatWest Group.</p> <p>ICAAPs, ILAAPs and budget and risk appetite stress tests⁽¹⁾ – BRC reviewed and recommended to the Board the scenarios to be used during 2025 for the budget process, and the monitoring of the risk profile relative to the approved risk appetite. It reviewed the budget and budget stress test as well as the NatWest Group ICAAP and ILAAP and recommended them to the Board for approval. At the committee's request, management also provided BRC with the outputs of a review on how key messages from the ICAAPs were used across NatWest Group on an ongoing basis to drive outcomes. The committee approved the ILAAP scenarios under delegated authority.</p> <p>Liquidity and funding – The committee continued to monitor NatWest Group's deposit strategy closely and received updates at every meeting on overall performance against risk appetite.</p> <p>Capital distributions – BRC carried out a detailed review of the risk aspects of proposals for capital distributions to shareholders, and the capital trajectory, and recommended them to the Board for approval.</p> <p>Climate and nature risk – BRC was pleased to receive confirmation from management that NatWest Group's climate risk management approach was robust and was generally aligned with its peers and regulatory expectations. A progress update on mainstreaming climate risk into decision-making, including the full inclusion of carbon emissions in NatWest Group's credit decisioning model, was provided. In relation to nature risk, management confirmed that focus was on determining NatWest Group's overall approach whilst also supporting its eurozone subsidiaries in complying with regulatory requirements.</p> <p>Pension risk – The committee welcomed management's confirmation that the risk appetite measures remained appropriate and that the buy-in transactions had reduced risk.</p>

(1) Reviewed by BRC in line with the committee's role to review reports and regulatory submissions on behalf of the Board and recommend them for approval.



Report of the Group Board Risk Committee continued

Theme	Principal areas of committee focus	Outcomes
Stress testing, recovery plans and the resolvability self-assessment	<p>BRC carried out a review of the stress testing activity conducted by management.</p> <p>BRC also devoted time and focus to oversight of the plans which would allow NatWest Group to be dealt with effectively in the event of financial failure. This included the review of NatWest Group's resolvability self-assessment action plan in response to regulatory feedback on NatWest Group's readiness for resolution.</p>	<p>Stress testing scenarios – The committee continued to closely review stress testing scenarios used to monitor and measure risk profile. In particular, it challenged how the potential impact of Basel 3.1 would be reflected. BRC reviewed the stress scenarios to be used for monitoring a moderate, severe and extreme stress and recommended them to the Board. Additionally, in response to a request from BRC, management provided an update on how stress testing capabilities were aligned with Board and regulatory expectations.</p> <p>Recovery Plan – BRC reviewed the NatWest Group recovery plans and recommended them to the Board ahead of their submission to the PRA in June 2024.</p> <p>Resolvability self-assessment – In response to regulatory feedback, the committee requested integrated scenario-based Board training on resolution planning and sought and received confirmation from management that operational resilience would form part of the training.</p>
Conduct and regulatory compliance risk (including ring-fencing compliance)	<p>The committee received updates on conduct and regulatory compliance performance against risk appetite at every meeting, including Consumer Duty-related matters. Updates on conduct risk issues pertaining to each customer business were received through the business strategic risk spotlights. BRC also received a spotlight on conduct and regulatory compliance which provided an update on risk appetite, risk profile and key activities.</p> <p>Additionally, BRC received an update from the Internal Audit function on the effectiveness of ring-fencing arrangements.</p>	<p>BRC welcomed Internal Audit's observation of the positive progress made across the conduct and regulatory compliance portfolio and encouraged management to maintain its focus on the ongoing work to enhance reporting.</p> <p>The committee had close oversight of regulatory activity, including frequent updates on the programme established to respond to the review carried out by the Department of Justice Compliance Monitor. BRC held management to account on prioritisation of the programme and delivery of the action plan.</p> <p>The committee received regular updates from management on ring-fencing conflicts, the steps taken to further embed ring-fencing requirements across NatWest Group, and its approach to support the Board ring-fencing compliance attestation ahead of its regulatory submission in March 2024.</p>
Data risk management and BCBS239	<p>BRC received regular reports on the data management risk profile in the risk management report. Additionally, BRC received a data risk management spotlight. This included an update on management's strategy and return to appetite plan.</p> <p>BRC reviewed NatWest Group's data aggregation and risk reporting framework (BCBS239) to ensure regulatory compliance.</p>	<p>BRC welcomed management's evolution of the data management strategy and discussed steps being taken to improve data risk management.</p> <p>In relation to the BCBS239 attestation, the committee considered and challenged management's proposal to include a new scope methodology and amend its assessment approach, noting it would align NatWest Group with industry best practice and regulatory expectations. Changes to the BCBS239 framework were reviewed and approved by the committee under Board delegated authority.</p>
Financial crime	<p>BRC received updates on the financial crime risk profile in the risk management report at every meeting. It also received biannual spotlights which included updates on RBSI's return to appetite.</p> <p>Additionally, BRC received the Money Laundering Reporting Officer's (MLRO's) report and the annual NatWest Group financial crime risk assessment.</p>	<p>BRC supported management's focus on constant evolution and investment to maintain NatWest Group's within risk appetite position and to meet new and existing challenges as well as regulatory expectations.</p> <p>It also welcomed the progress made on fraud prevention and questioned management on NatWest Group's position in relation to its peers. BRC challenged management on ensuring that sufficient focus was on preventative actions, particularly in resolving any issues impacting the effective operation of systems and technology. Additionally, BRC closely oversaw RBSI's return to appetite and encouraged pace of progress and integration into the NatWest Group financial crime hub.</p> <p>BRC continued to monitor emerging financial crime risks throughout the year. The committee challenged management on assurance processes, the effective use of transaction monitoring tools, and improvements to risk culture, and requested progress updates.</p>

Report of the Group Board Risk Committee continued

Theme	Principal areas of committee focus	Outcomes
Transformation/ major change programmes	<p>BRC continued to oversee delivery of NatWest Group's transformation and material change programmes and their position relative to risk appetite through biannual spotlights, with interim updates communicated in the risk management report.</p> <p>The committee also received updates on the management of UBI DAC withdrawal risks as part of the phased withdrawal from the Republic of Ireland.</p>	<p>In response to feedback from BRC, management's presentations focused on demonstrating how the major change programmes had improved NatWest Group's operational risk profile, supported delivery of the bank's strategy, and were appropriately funded. BRC challenged management on ensuring that all of NatWest Group's regulatory programmes were included within the transformation portfolio.</p>
Reputational risk	<p>BRC received updates at every meeting on reputational risk performance against risk appetite. Additionally, the committee received an annual spotlight which focused on changes and improvements that had been made to strengthen the reputational risk framework.</p>	<p>The committee welcomed management's confirmation that reputational risk had materially reduced since 2023 and was particularly pleased by the improvements seen in the Private Banking business. In response to challenges and questions from the committee, management provided detail on the processes and governance in place to identify emerging threats and ensure the efficient escalation of potential issues from the customer businesses and functions.</p> <p>At the committee's request, management also provided an overview of the Environmental, Social and Ethical framework used to support the management of reputational risk appetite and confirmed alignment with peers. The committee suggested enhanced Board oversight in certain areas.</p>
Accountability and remuneration	<p>BRC continued to provide oversight over the risk considerations of performance and remuneration arrangements, as well as reviewing accountability review recommendations from a risk management perspective, working closely with RemCo.</p> <p> Further detail on how risk is considered in remuneration decisions can be found in the Directors' remuneration report on pages 126 to 145.</p>	<p>Remuneration – BRC reviewed the risk and control goals of the NatWest Group Executive Committee members and relevant attendees (ExCo). These were recommended to RemCo, together with the individual performance goals for the Group Chief Risk Officer.</p> <p>BRC also considered the risk and conduct performance of ExCo, to ensure a fair reflection of risk and conduct performance in variable pay award and vesting outcomes and recommended them to RemCo.</p> <p>The committee discussed and recommended to RemCo proposed risk adjustments to NatWest Group's bonus pool calculation to reflect NatWest Group's risk and conduct management performance.</p> <p>Following previous feedback and challenge from BRC, the committee welcomed the simplified approach taken towards the end of year remuneration process by management and encouraged management to consider further simplification measures.</p> <p>Remuneration policy – The committee considered the proposed changes to the directors' remuneration policy and recommended the proposed mechanisms for risk adjustments within the new policy construct to RemCo. In addition, the committee carried out its annual review of the Material Risk Taker identification process. BRC welcomed management's update to the committee that a review of Material Risk Takers was underway to ensure alignment with NatWest Group's peers.</p> <p>Accountability – The committee continued its oversight of regulatory reportable events, other material investigations and resultant accountability review recommendations, advising RemCo on the appropriateness of these recommendations from a risk perspective.</p>

Report of the Group Sustainable Banking Committee



Members and attendance in 2024

Directors	Scheduled meetings attended
Yasmin Jetha (Chair)	5 of 5
Roisin Donnelly (The Group Consumer Duty Board Champion)	5 of 5
Lena Wilson	4 of 5

Lena Wilson was unable to attend the October meeting owing to a prior commitment. There were no ad hoc meetings.

Dear Shareholder,

I am delighted to present my second report as Chair of the Group Sustainable Banking Committee (the committee or SBC).

During 2024, the committee continued to effectively support the Board in overseeing and challenging actions taken by management to run NatWest Group as a sustainable business generating long-term value for stakeholders.

Our areas of focus are supported by strong engagement with executive management and the SBC framework ensures that all updates align with the remit of the committee. Further details of the framework can be found on page 125.

We held several spotlight sessions throughout the year covering the principal areas of focus for the committee, namely: customer; climate and environmental progress; people & culture; learning; technology, data and innovation; and small business support. The views of internal and external stakeholders were sought wherever possible and meeting time was prioritised towards meaningful debate and discussion. SBC considered key items of strategic focus and had spotlights on a range of climate and sustainability matters. The committee's discussions on people, culture and learning focused on embedding the bank's new performance management framework, future skills and strategic workforce planning.

Technology, innovation and data are integral to our strategic priorities as we work to generate long-term value for stakeholders and succeed with customers. Updates have focused on the data strategy, approach to innovation, and artificial intelligence, including emerging challenges, ethics, and potential areas for transformational change for customers.

The customer and Consumer Duty underpin all discussions and the committee continued to provide oversight and challenge of Consumer Duty on behalf of the Board, including review of the annual self-assessment of NatWest Group's monitoring and actions in advance of Board approval.

Thank you to everyone who has contributed to the committee's activities during 2024, especially my fellow directors, Lena Wilson and Roisin Donnelly, and Francesca Barnes as non-executive director and member of NatWest Holdings (NWH) Sustainable Banking Committee, attending SBC meetings in an observational capacity. I would also like to thank attendees and presenters for their invaluable contributions. SBC welcomed Geeta Goplan and Gill Whitehead as members with effect from 1 and 8 January 2025 respectively.

Effectiveness review

In accordance with the Code, an evaluation of the performance of the Board and its committees, including the SBC, was conducted by an external facilitator in 2024. Further information on the review can be found on pages 103 to 105.

Principal areas of focus

- ✓ Customer, including Small Business Support and Consumer Duty
- ✓ Climate and environmental progress
- ✓ People, culture and learning
- ✓ Technology, data and innovation
- ✓ Supporting long-term value creation

Conclusion

Our strategic approach and operating rhythm ensured that the committee continues to support the Board in overseeing the execution of our strategy and promoting NatWest Group's long-term sustainable success. We considered a broad range of sustainability (including Environmental, Social and Governance) matters to better understand our impact and how NatWest Group's actions are supporting our customers, colleagues and society.

Yasmin Jetha

Chair of the Group Sustainable Banking Committee

13 February 2025



Report of the Group Sustainable Banking Committee continued

Theme	Principal areas of committee focus	Outcomes
Customer	<p>The committee considered actions being taken by management to improve customer service and experience across key customer segments.</p> <p>The committee continued to support the Board in its oversight of steps to embed Consumer Duty and delivery of Good Customer Outcomes was a central focus. The committee received updates at three of its five meetings in 2024. The Consumer Duty Board Champion is a member of the committee and provided input on industry discussions and engagement with management. Updates included progress on implementation; regulatory engagement; and spotlights on approach to customer communications, good customer outcomes reporting; complaints, and affordable lending. The updates also outlined the Board assessment governance timeline for 2025 and associated actions.</p> <p>The committee had a spotlight session on external fraud and scams and the impact on the customer. Actions being taken by management to improve customer service, including use of digitalisation and technology to deliver enhanced customer experience, were outlined. Discussion also considered liability, evolving threats, achieving good customer outcomes, and support for customers in vulnerable situations. The committee experienced customer calls by fraudsters reinforcing the need for strategic capabilities and continued investment.</p> <p>SBC received an update on NatWest Group's Small Business Support strategy and customer offering, including feedback from customers on their experience. Spotlights on the Accelerator programme and small business lending highlighted efforts to revitalise plans to grow our lending.</p> <p>The committee discussed the annual Internal Audit Behavioural Risk review which focused on customer vulnerability, personalisation and customer outcomes.</p>	<p>The committee reviewed and recommended the first annual self-assessment of monitoring and actions on compliance with Consumer Duty regulations to Board for approval. The committee recognised the progress on improvement actions for on and off sale product journeys and acknowledged the positive impact that Consumer Duty was having for customers. It also recommended that NatWest Group recognise these benefits externally.</p> <p>In relation to fraud, the committee noted the importance of active engagement on fraud across the banking sector and with governments and law enforcement agencies</p> <p>In relation to small business support, the committee acknowledged the success and impact of the Accelerator programme over the last 10 years and encouraged management to focus on helping businesses to scale beyond the initial growth phase. Challenges regarding the increased presence and role of brokers were discussed noting the importance of engaging with this market.</p> <p>As a result of a request from the committee to learn more about how we could leverage the power of the regions, the Board held a successful engagement session with the Regional Board Chairs to discuss work underway to support regional initiatives, including lending.</p> <p>The committee challenged how the work being carried out by the behavioural risk audit team was being used by the business to enhance customer outcomes, noting the connection with Consumer Duty.</p>
Climate and environmental progress	<p>Presentations considered progress on climate matters and focus areas for 2024 to support our climate ambitions. The SBC reviewed a management information dashboard on a quarterly basis which included key metrics and targets aligned with our climate-related ambitions. It discussed progress against the climate ambitions and considered how these might evolve in future.</p> <p>The committee has continued to support the Board in its oversight of the implementation and delivery of the Climate transition plan with particular focus on steps being taken to support our customers' transition including opportunities for growth, the importance of partnerships to enable and accelerate systems led decarbonisation, and tools such as the Climate Decisioning Framework and Carbon planner tool.</p> <p>It was noted that NatWest Group received a CDP A rating, for 2023, and was ranked third globally in The Autonomous Paris Readiness Index (APRI) in 2023.</p> <p>The Group Audit Committee and SBC held a joint session on financed emissions methodology.</p>	<p>The committee noted the progress on climate ambitions and encouraged the work to integrate climate into the wider bank strategy and support for customers. Continued challenges such as external dependencies beyond NatWest Group's control and management of risks were considered.</p> <p>The committee discussed the intention to refresh NatWest Group's climate ambition in the context of the UK's Seventh Carbon Budget, and in a way which is aligned with the wider strategy, developing regulation, and is simplified.</p> <p>The committee welcomed the strong focus on supporting customer transition and encouraged efforts to accelerate progress on the identified growth opportunities and leverage the breadth of activities underway.</p> <p>In relation to opportunities, the committee challenged the need to elevate the corporate narrative, strategic implications of being a UK bank, and encouraged management to consider further opportunities within Commercial Real Estate and Energy systems.</p>

Report of the Group Sustainable Banking Committee continued

Theme	Principal areas of committee focus	Outcomes
People, Culture and Learning	<p>The committee had close oversight of the performance culture work, including implementing the bank's new performance management framework, Beyond, which was launched at the start of 2024. The committee noted positive feedback and engagement with colleagues and valued additional observations from the Colleague Advisory Panel. It also considered the work on leading and scaling experimentation to support data-led decision-making, and potential changes to simplify colleague frameworks.</p> <p>The committee discussed the approach to future skills, including developing deep skills intelligence to support customers and anticipate future skill requirements.</p> <p>The committee considered the results and insights from employee survey results specifically in relation to culture, inclusion, ethics and engagement.</p> <p>On behalf of the Board, the committee noted the approach taken to the development of workforce policies and practices.</p>	<p>The committee acknowledged the scale and significance of introducing the new performance management framework and supported work to track lessons learned, given it would take time to embed. The committee requested that additional updates on performance management are provided in 2025.</p> <p>The committee noted the importance of developing deep skills intelligence to support customers, execute on the strategy and adapt to wider changes in the workforce. Directors emphasised the need for communications on the future approach to emphasise empowerment of colleagues to drive their skills forward. It sought further demonstration of how the approach would be implemented.</p> <p>In order to simplify processes, it was agreed that SBC would no longer be required to have a formal role in remuneration governance decisions but could continue to be consulted if required.</p>
Technology, data and innovation	<p>Sessions focused on: data and automation; competitive threats and opportunities; artificial intelligence (AI); payments; innovation and partnerships; and emerging technology trends.</p> <p>Data is a key enabler to our strategy and SBC noted how the data strategy and target architecture will deliver value to customers, including personalisation, understanding consumer behaviour, and providing actionable insights to generate value. It was noted that Good Customer Outcome Monitoring data had been successfully implemented to support Consumer Duty, using a One Bank approach. Discussion was enhanced by the attendance of one of the bank's 'Distinguished Engineers'.</p> <p>Progress on the bank's AI adoption activity, strategic direction and ambition was discussed. The updates focused on: customer benefit; plans to scale use cases; delivery and adoption; emerging challenges; areas for transformational change; and ethics. Adrian Joseph OBE, a member of the Technology Advisory Board and data expert, provided an external perspective on data and AI.</p> <p>The committee received an update on payment technology strategy and target architecture to better understand how the multi-year transformation will ensure future resilience, regulatory compliance and lower costs through modernisation and simplification.</p> <p>The committee received an overview of how the enhanced innovation framework was embedding and innovation activity for the year.</p> <p>The committee considered the emerging technology trends which had the potential to be disruptive by 2030 or beyond, focusing on the continued development of artificial intelligence capabilities, including agents; new types of consumer devices; digital markets; and quantum computing.</p>	<p>The committee noted the technology, data and innovation focus areas and potential areas of benefit to our customers. The committee encouraged prioritisation, close management of funding, and taking an agile approach. They noted the importance of resource, ownership and governance. The committee requested plans to measure the pace and delivery of milestones to track progress on data strategy and architectural improvements.</p> <p>The committee discussed the potential of AI noting that balance would be required to ensure appropriate consideration of risk and controls whilst being able to target transformational opportunities and continued adoption at scale. The committee discussed NatWest Group's external approach to AI encouraging a proactive stance with regulators, investors and customers.</p> <p>In relation to payments, the committee acknowledged the challenges of disintermediation and complexity of infrastructure and discussed the steps being taken to address this.</p> <p>The committee agreed on the importance of monitoring future trends and requested a further update on NatWest Group's plans and peer action in respect of the potentially disruptive technology trends related to AI and agents, and new consumer devices. The committee also noted the opportunities presented by the work being undertaken by suppliers and vendors to enhance their AI capabilities.</p>



Report of the Group Sustainable Banking Committee continued

Theme	Principal areas of committee focus	Outcomes
Supporting long-term value creation	<p>The committee followed a framework to ensure that the items presented were aligned with long-term sustainable value creation. This included highlighting the benefits to the customer, NatWest Group's position relative to peers, including what could be learned from peer approaches and other industries, and the specific actions or milestones required to deliver the required outcome.</p> <p>The committee supported the Board in overseeing work to evolve NatWest Group's purpose prior to approval by Board.</p> <p>The committee discussed a pilot sought to develop thinking on sustainability topics and inform potential approaches to conducting materiality assessments. The pilot was supported by an external third party and was intended to build on our existing approach while also considering future reporting requirements. It also considered the implications for NatWest Group and the next steps required.</p> <p>SBC considered NatWest Group's 8th Annual Modern Slavery & Human Trafficking Statement.</p> <p>The committee received a detailed update on Human Rights (including Salient Human Rights Issues) progress made in 2024 and the plan for 2025.</p> <p>The committee noted the progress on ESG ratings achieved by NatWest Group which included improved scores resulting from a combination of investor and rating agency dialogue, and enriched disclosures.</p> <p>SBC discussed the approach taken to embed ESG considerations within NatWest Group's supply chain management processes. This included embedding the Supplier Charter and use of EcoVadis assessments, to improve understanding of suppliers' impact on the end-to-end value chain.</p>	<p>By ensuring that the updates presented followed the agreed framework, it allowed the committee to focus on long-term value creation.</p> <p>The committee provided detailed feedback on purpose proposals developed with internal and external stakeholders.</p> <p>In relation to the pilot that helped inform our thinking on future materiality assessments, the committee queried how the assessment would be used in practice to ensure it delivered value. The committee sought to understand how multiple competing regulatory approaches could be satisfied through future materiality assessments.</p> <p>The committee recommended NatWest Group's 8th Annual Modern Slavery & Human Trafficking Statement to the Board for approval.</p> <p>Regarding the ESG ratings approach, SBC cautioned any over-simplification of its approach. Disclosure, transparency and granular detail were key requirements from investor discussions.</p> <p>In respect of the embedding of ESG considerations within NatWest Group's supply chain management process, SBC stressed the importance of ensuring that the process did not discourage smaller businesses from providing services to NatWest Group.</p>

Directors’ remuneration report



Members and attendance in 2024

Directors	Scheduled meetings attended
Lena Wilson (Chair)	5 of 5
Roisin Donnelly (Member since 1 September 2024)	2 of 2
Mark Seligman	5 of 5
Frank Dangeard	4 of 5

Mr Dangeard was unable to attend one scheduled meeting due to illness. In addition to the five scheduled meetings held, there were three ad hoc meetings. All directors eligible to attend ad hoc meetings were present at those meetings.

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130	Remuneration at a glance
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Dear Shareholder,

On behalf of the Board, I am pleased to present the remuneration report for 2024.

As part of this report, we have set out a new directors’ remuneration policy (the Policy). This is subject to approval from shareholders at the 2025 NatWest Group plc Annual General Meeting (AGM) and is intended to operate for three years. The report also details the remuneration decisions we made under the existing Policy for 2024 and how we intend to apply the new Policy in 2025.

Revised remuneration policy for executive directors

The current Policy has been in place since 2022, when NatWest Group introduced an annual bonus plan and a Restricted Share Plan (RSP), which brought us more in line with the market at the time, but resulted in less performance variability than a more typical long-term incentive arrangement.

While the current Policy has worked well in supporting our transition to a more market-aligned construct, we believe that the new Policy must continue to evolve in order to support the business strategy by further strengthening the link between reward and performance. We have also been mindful that within the last 12 months there have

been significant changes to the external regulatory, investor and market environment. In particular, the Group Performance and Remuneration Committee (the committee) notes the decision by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) to remove the bonus cap, which provides greater flexibility to introduce higher leverage and set more stretching performance-based incentives.

NatWest Group is now the only major UK bank operating a RSP as its long-term incentive (LTI). We are also the only major UK bank to operate on a 1:1 ratio between variable and fixed pay. We have listened very carefully to shareholders and other stakeholders to ensure that the new Policy brings our LTI construct in line with that of other UK banks, in a manner that is appropriate to our circumstances and strategic aims.

In addition to external environment changes, we have a new Board Chair and a Group Chief Executive Officer (CEO) who has been in role for just over 18 months. We approach the future with optimism, confident we can build on our strong FY24 performance and shareholder returns. NatWest Group continues to be well positioned to create sustainable long-term growth and value for its shareholders.

Wider workforce highlights

January 2024

- We launched Beyond, our new performance management framework, designed to foster a culture of high performance while enhancing colleague experience, and shifting the focus from pay decisions based on ratings to data-driven reward decisions.

April 2024

- Nearly 95% of our junior UK colleagues (A and B grades) covered by our negotiated pay approach received a salary increase of at least 3.5%, with almost two-thirds receiving 5% or more.

May 2024

- The first award under our Sharing in Success scheme was delivered, with a share award of £1,000 for all eligible employees (adjusted for local salary levels).

From April 2025 onwards

- Nearly 84% of our junior UK colleagues will receive a salary increase of at least 2%, and our UK starting salary will increase to £24,525 per annum, an uplift of 24% since September 2022, maintaining a competitive market position.
- In May 2025, all eligible employees will receive a Sharing in Success award of £1,275 (adjusted for local salary levels), subject to shareholder approval of the recommended dividend.

Directors' remuneration report continued

Taking into account all of these factors, we have designed a new Policy to support the delivery of our business strategy through the re-introduction of a Performance Share Plan (PSP), with a higher, but proportionate, degree of leverage.

Summary of changes to the Policy

We are proposing two key changes. Firstly, the RSP award, currently capped at 150% of salary, will be replaced by an annual PSP award, capped at 300% of salary. Performance measures, weightings and targets will be determined by the committee each year, with stretching targets, directly linked to the bank's strategy, set to reflect the increased potential pay out under the PSP.

Secondly, the annual bonus opportunity, currently 100% of salary, will be increased to 150% of salary. Performance targets will incorporate greater stretch above the target performance level, up to the maximum, to reflect the greater opportunity. Other key elements of the Policy, including the operation of the fixed share allowance, remain unchanged.

Impact of the changes

While the new Policy results in higher pay at maximum performance, pay only increases marginally at target performance, and importantly, at threshold (i.e. start to earn) pay will be lower than the current Policy for executive directors. When considering the new Policy, the committee was mindful that for the past decade NatWest Group has operated within a 1:1 variable to fixed construct. The PSP combined with annual bonus introduces greater leverage, creating a more performance-focused construct as part of this Policy renewal. Removal of the fixed share allowance was considered, however this would

have required an even greater increase in variable pay opportunity in order to retain market positioning. Given the Group's starting point on its variable to fixed pay ratio, the committee concluded that it was appropriate to retain the fixed share allowance for this Policy period, as it acts as a counterweight that ensures the overall package is not too highly leveraged. The continued delivery of the fixed share allowance in shares also ensures alignment with shareholder experience. The use of the fixed share allowance, and peer practice on pay, will continue to be kept under review.

These proposed Policy changes align executive directors to the 2:1 variable to fixed pay ratio for our wider workforce, published in the 2023 Directors' remuneration report. The committee remains of the view that this ratio is appropriate for our current circumstances as we transition towards a significantly more performance-focused pay model. Further details of the new Policy and why it is right for us are on page 131 to 133.

Timing of the changes

In line with regulatory expectations, the first PSP awards will be made in March 2026, with the grant of awards being contingent on satisfactory performance under a 'pre-grant test' in the year to 31 December 2025. PSP scorecards will be finalised in 2025, and details of the measures will be disclosed in line with our strong track record for transparent and comprehensive annual bonus disclosure.

Final RSP awards will be made in March 2025 following the FY24 annual results announcement. The new bonus opportunity will be effective for the year ending 31 December 2025.

Stakeholder consultation on the changes

We have consulted widely with our major stakeholders on the Policy proposals, with positive feedback received. Discussions centred on the business context for transitioning to a PSP and the importance of measuring performance against stretching targets. Further details of the consultations and discussions are on page 131.

We have built flexibility into the new Policy to respond to the expected changes the PRA and FCA have recently announced, as part of their joint consultation paper, to the PRA/FCA remuneration rules. Any material

changes to the operation of the Policy to reflect such regulatory updates will remain consistent with UK market practice and investor requirements. We would also engage with key stakeholders before implementing such changes.

The Board believes these Policy proposals support the next phase of our business strategy and a stronger performance culture by providing a more competitive package for our executive directors, which is an important factor in attracting and retaining highly talented individuals. The Board, therefore, recommends that shareholders vote in favour of the new Policy.

















Directors' remuneration report continued

Group remuneration outcomes for 2024

The current Policy operated as intended during 2024. A paper summarising the operation of the Policy is presented to the committee each year.

The assessment of performance against annual bonus scorecards resulted in a scorecard outcome of 77.9% for Group CEO, Paul Thwaite and 76.0% for Group Chief Financial Officer (CFO), Katie Murray. The committee considered the outcomes for Mr Thwaite and Ms Murray to be a fair reflection of performance and felt no further discretionary adjustments were required. Full details of the annual bonus can be found on pages 146 and 147.

Performance measures	Weighted outcome	
Financial (60%)	50% out of 60%	
Group RoTE (30%)		30.0%
Income growth (10%)		10.0%
Cost reduction (10%)		5.0%
CET1 (10%)		5.0%
Non-financial (35%)	23.9% out of 35%	
Climate (10%)		8.8%
Customer (10%)		4.7%
Purpose, culture and people (10%)		5.7%
Enterprise and capability (5%)		4.8%
Personal (5%)		
Group CEO		4.0%
Group CFO		3.0%
Pre application of risk modifier (0-100%)		
Group CEO		77.9%
Group CFO		76.9%
Post application of risk modifier (0-100%)		
Group CEO outcome		77.9%
Group CFO outcome		76.0%

Performance highlights

Income excluding notable items

2.2%

2023: 9.8%

Attributable profit

£4,519 million

2023: £4,394 million

RoTE

17.5%

2023: 17.8%

Climate and sustainable funding and financing⁽¹⁾

£31.5 billion

2023: £29.3 billion

Shareholder returns through dividends and buybacks

£4.0 billion

2023: £3.6 billion

Grant of the 2025 RSP

The committee approved the grant of RSP awards for Mr Thwaite and Ms Murray at maximum level, as satisfactory performance had been achieved over 2024 in line with the current Policy. The vesting of the RSP awards will be subject to assessment against pre-determined criteria that consider whether sustainable performance has been delivered over the three-year performance period. Full details of the RSP performance assessment can be found on page 151.

Vesting of LTI awards granted in 2022

LTI awards were granted to Mr Thwaite and Ms Murray in March 2022, the final grant under our former Policy. As disclosed at the time, prior to the awards being granted, a reduction of 29.5% was applied to the maximum award as a result of the pre-grant performance assessment for 2021. In December 2024, the committee considered whether anything had come to light since the awards were granted which would change its original view of performance. Based on the pre-vest assessment, the committee concluded that a strong and sustainable level of performance had been achieved over the period and there had been no material deterioration in financial, customer, risk, culture or purpose-linked performance since grant. Therefore, no further adjustments were necessary under the pre-vest test. Full details can be found on pages 149 and 150.

Wider workforce

Following targeted action in 2023 to support our colleagues through the cost of living crisis, we continued to focus on rewarding colleagues in a fair, sustainable and transparent way during 2024. Our UK starting salary increased to £23,500 per

(1) Cumulative contribution of £93.4 billion towards £100 billion between 1 July 2021 and the end of 2025 target.



Directors' remuneration report continued

annum in April 2024, and nearly 95% of our junior UK colleagues (A and B grades) covered by our negotiated pay approach received a salary increase of at least 3.5%, with almost two-thirds receiving 5% or more. We will build on this in April 2025, continuing to focus on paying colleagues fairly, and further increasing our minimum rate of pay in the UK to £24,525 per annum. In December 2024, the committee agreed 2% salary increases would apply from 1 April 2025 for the Group CEO and Group CFO. This compares to an average salary increase for the global workforce at 3.3%.

To drive individual and organisational performance further, in 2024 we launched Beyond, our new performance management framework. Beyond is designed to foster a culture of high performance while enhancing the overall experience for our colleagues. We have encouraged the setting of more ambitious and personalised goals to drive performance and engagement, focused on improving the quality of performance discussions, and shifted the focus from pay decisions based on ratings to data-driven reward decisions. This approach was created after c.2,300 colleagues were involved in 13 experiments across the bank in making pay decisions without performance ratings. Further details of Beyond can be found in Our colleagues section on page 36 in the Strategic report.

The first award under our Sharing in Success scheme for all colleagues was delivered in shares in May 2024, based on performance in 2023. The scheme is intended to drive a performance culture and further align colleagues with our strategic direction. For 2024, we measured success based on being brilliant for our customers, underpinned by financial performance, our approach to risk and delivering value for shareholders.

The second award under the scheme will be granted in May 2025, with a share award of £1,275 to all eligible employees (adjusted for local salary levels of £725 for Poland and £465 for India), subject to shareholder approval of the recommended dividend at the 2025 NatWest Group plc AGM.

Over 28,000 colleagues contribute to our Sharesave scheme each month, which is available to approximately 98% of colleagues, with participants across the UK and India currently eligible to participate in new Sharesave offers. It provides an opportunity for colleagues to align their interests with shareholders, with limited risk, and is particularly popular with colleagues at A-C grades.

A range of support and financial education was provided throughout 2024 to colleagues, including guidance on becoming a shareholder. At the end of 2024, 59% of our colleagues were shareholders. Financial wellbeing remains important, and colleagues are supported with access to pension and protection products, as well as a comprehensive range of financial health initiatives.

Wider workforce considerations remained a focus of the committee throughout 2024. It is imperative for us to continue to monitor and discuss colleague sentiment with regard to both performance and pay matters. I attended the Colleague Advisory Panel (CAP) in May 2024 to discuss colleague remuneration and benefits, as well as our approach to executive pay and its link to our strategy and purpose. These ongoing two-way discussions with colleagues are a valuable tool to deepen our understanding of colleague views and also to explain the alignment between our executive director and wider workforce pay policies. More details of our work with the CAP are on page 144.

Bonus pool for the wider workforce

The bonus pool is based on performance against a balanced scorecard of strategically important measures: financial performance; customer outcomes; people, culture and diversity; risk management; risk events; and progress against our climate and purpose ambitions. The committee agreed a 2024 bonus pool of £446.6 million for those colleagues eligible to receive an award. This is 25.4% higher than the 2023 bonus pool of £356.0 million. The bonus pool outturn for 2023 was reduced, reflecting the impact on shareholders due to missed guidance during the year. The increase in the bonus pool for 2024 reflects stronger business performance, including attributable profits of £4,519 million, strong share price performance and positive progress on our climate and enterprise goals.

Pay gap reporting

We are making good progress in building a diverse, equitable and inclusive workplace and the committee reviews gender and ethnicity pay gap outcomes on an annual basis. We are pleased to see continued improvement in a number of our pay gaps, especially NatWest Bank, our largest reporting entity. In addition to our mandatory gender pay gap disclosures, this is the seventh year we have published ethnicity pay gap information on a voluntary basis. We continue to disaggregate our ethnicity pay gaps to compare the average hourly pay of colleagues from ethnic minority groups to that of white colleagues. We are confident that our colleagues are paid fairly, and our policies and processes are kept under review to make sure this continues to be the case. Further details of our pay gap reporting can be found in the Strategic report and at natwestgroup.com.

Looking ahead

The committee understands that expectations in relation to oversight of remuneration continue to evolve, and we will remain focused on this, as well as how our strategy and purpose continue to be reflected in remuneration delivered to our colleagues in 2025. The committee is focused on ensuring a smooth transition to the new Policy, subject to approval at the 2025 NatWest Group plc AGM. Full details of the Policy are set out later in this report.

The proposed changes set out in this letter are an important step in the evolution of the Policy, and I hope shareholders will vote for its approval. I am grateful for the support of our stakeholders throughout this process and would like to extend my thanks to my fellow committee members for their valuable contributions.

Lena Wilson, CBE

Chair of the Group Performance and Remuneration Committee

13 February 2025

Our fair pay approach

NatWest Group has been an accredited Living Wage Employer in the UK since 2014 and sets pay levels above the real living wage rates. In 2023 we were certified as a Global living wage employer, recognising that our rates of pay for our colleagues outside the UK are at or above the living wage threshold as defined by the Fair Wage Network. We are currently going through the re-certification process.

For full details of our fair pay approach see natwestgroup.com.

Remuneration at a glance

Executive director remuneration outcomes (£000's)

		Paul Thwaite					Katie Murray				
		Fixed pay	Bonus	RSP/LTI	Other benefits	Total	Fixed pay	Bonus	RSP/LTI	Other benefits	Total
Pay outcomes	Awarded for 2024	2,474	890	1,713	–	5,077	1,697	599	1,182	–	3,477
	Single figure 2024	2,474	890	1,572	1	4,936	1,697	599	2,224	1	4,520

Fixed pay
 Annual bonus
 RSP award
 2022 LTI
 Other benefits

	Fixed pay (£000's)	2024 Annual bonus	2024 RSP pre-grant	2022 LTI vesting
Paul Thwaite 	2,474	<p>Post risk modifier: 77.9% of max</p> <p>Scorecard assessment: 50.0% (83% of max), 23.9% (68% of max), 4.0% (80% of max)</p> <p>Maximum: 60% (Financial), 35% (Strategic), 5% (Personal)</p>	150% of salary to be granted in March 2025	<p>Maximum: £1,060k</p> <p>Following pre-grant test: 70.5% of max, £747k</p> <p>Following pre-vest test: 70.5% of max, £747k</p> <p>Vesting value (including share price movement): £1,572k</p>
Katie Murray 	1,697	<p>Post risk modifier: 76.0% of max</p> <p>Scorecard assessment: 50.0% (83% of max), 23.9% (68% of max), 3.0% (60% of max)</p> <p>Maximum: 60% (Financial), 35% (Strategic), 5% (Personal)</p>	150% of salary to be granted in March 2025	<p>Maximum: £1,500k</p> <p>Following pre-grant test: 70.5% of max, £1,058k</p> <p>Following pre-vest test: 70.5% of max, £1,058k</p> <p>Vesting value (including share price movement): £2,224k</p>
		<p>The maximum bonus award was based on 100% of salary earned over 2024. This equated to £1,142k for Mr Thwaite and £788k for Ms Murray. The assessment of performance against their annual bonus scorecards resulted in a scorecard outcome of 77.9% of maximum for Mr Thwaite and 76.0% of maximum for Ms Murray.</p> <p>The committee considered the outcomes to be a fair reflection of performance and agreed that no further discretionary adjustments were required. See pages 146 and 147 for more details.</p>	<p>Awards levels reflect Group and individual performance in 2024 and will be subject to a pre-vesting assessment. Awards are delivered in shares to align with long-term performance and shareholder interests.</p> <p>See page 151 for further details of the pre-grant and pre-vest performance.</p>	<p>Prior to the awards being granted to Mr Thwaite and Ms Murray, a reduction of 29.5% was applied as a result of the pre-grant performance assessment over 2021, which included an adjustment to mirror the downward adjustment to the 2021 bonus pool for the fine imposed on NatWest Bank Plc in 2021 for breaches of the Money Laundering Regulations 2007 between 2012 and 2016, and the investigation of financial crime remediation.</p> <p>In December 2024, after considering whether anything had come to light since the grant which would change the original view of performance, no adjustment was proposed. Vesting value reflects an increase in share price over the period. See page 150 for more details.</p>

2025 Directors' remuneration policy – Listening to our shareholders

Engagement with stakeholders on remuneration

Every year we undertake an engagement programme with major shareholders and other stakeholders before the committee makes final decisions on pay awards. In late 2024, we engaged with a number of institutional shareholders, proxy advisers and the UK regulators to discuss our approach to remuneration for the 2025 performance year and our proposed Policy amendments for executive directors ahead of the next triennial vote on the Policy by shareholders in 2025.

On the whole, feedback received on the Policy proposals was overwhelmingly positive, with shareholders understanding the business context for moving to a PSP construct, as set out in the Chair's letter at the front of this report. In addition, common areas of discussion were expectations regarding the use of stretching, quantifiable targets to incentivise outperformance; the transparent disclosure of such targets; and the bank's rationale for not re-balancing the fixed share allowance following the introduction of the more leveraged PSP. Our responses to the

most commonly raised questions from this consultation are set out to the right and on the next page.

Shareholders play a vital role in helping us develop remuneration practices that meet the needs of all our stakeholders, and we are grateful for their involvement in this year's consultation.

A summary of the new Policy can be found on page 133, followed by the main Policy tables which set out full details.

In addition to the above discussions, we also held two virtual shareholder events with retail shareholders (including colleague shareholders) in 2024 to ensure we heard from the wider shareholder base on matters of importance. During the events, shareholders raised questions on new digital skills colleagues will need and the impact of Artificial Intelligence; the importance of the leadership skills in our executive directors; and also on our strategy for attracting, retaining and developing future talent. Further shareholder events are planned for 2025.

Q. What are the key changes proposed from the last Policy?

A. We are proposing two key changes:

- Firstly, the RSP award, currently capped at 150% of salary, will be replaced by an annual PSP award, capped at 300% of salary. Performance measures, weightings and targets will be determined by the committee each year, with stretching targets, directly linked to the bank's strategy, set to reflect the increased potential pay out under the PSP.
- Secondly, the annual bonus opportunity, currently 100% of salary, will be increased to 150% of salary. Performance targets will incorporate greater stretch above the target performance level, up to the maximum, to reflect the greater opportunity.

Q. Why are we changing our Policy after one cycle?

A. While our current policy supported our transition to a more market-aligned construct, we are fostering a stronger performance culture and need our Policy to evolve in order to support the business strategy.

For executive directors we want to introduce more performance-based variability of pay outcomes, creating further alignment between executive pay and the long-term value created for our shareholders.

Q. Why are we increasing variable pay?

A. While the new Policy results in higher pay at maximum performance, pay only increases marginally at target performance and, crucially, there is lower pay for executive directors at threshold incentive payment levels.

Nearly all the increased leverage is achieved through the move from RSP to PSP which brings significant downside risk alongside potential upside.

The modest increase to variable remuneration at target (equivalent to 25% of salary), through the increased annual bonus opportunity, provides a stronger link to the achievement of stretching business targets linked to our strategy.

The annual bonus opportunity was set at a conservative level when introduced in 2022, noting that no annual bonus plan had been operated for many years. As this plan has now been established for three years and is working well with robust targets and a good link of pay outs to performance, we are comfortable to make this increase without driving additional risk-taking. These proposals support the next phase of our business strategy and a stronger performance culture by providing a more competitive package to our executive directors, which is an important factor in attracting and retaining highly talented individuals.

In determining the appropriate positioning of variable pay, we also noted that the current package remained behind our main UK banking peers and we are comfortable that the proposed package is appropriate within the context of our FTSE and banking peers.

Remuneration at a glance continued

Q. Given that the limits on fixed to variable remuneration have been removed, why are we retaining the fixed share allowance?

A. We are aware that other UK banking peers may change the balance of their packages in response to the bonus cap removal. While peer practice is one factor that we consider, we do not believe this would be appropriate for us at this time.

Removal of the fixed share allowance was considered; however, this would have required an even greater increase in variable pay opportunity in order to retain market positioning. Given our starting point on variable to fixed pay ratio, the committee concluded that it was appropriate to retain the fixed share allowance for this Policy period, as it acts as a counterweight that ensures the overall package is not too highly leveraged. The continued delivery of the fixed share allowance in shares also ensures alignment with shareholder experience.

The use of the fixed share allowance, and peer practice on pay, will be kept under review.

Q. Why is the first grant under the PSP being made in 2026 rather than 2025?

A. All changes to the Policy will apply to performance year 2025 awards, which will be granted in March 2026. This is in line with regulatory expectations, with the grant of PSP awards contingent on satisfactory performance as assessed with reference to a pre-grant test in respect of performance in 2025. This approach aligns with our historic practice and market practice for our sector.

Q. How will we respond to any changes the PRA and FCA may announce to the remuneration rules?

A. When designing the Policy, we have been mindful of the proposed changes published by the PRA and FCA in November 2024. While the changes that are being proposed remain in consultation, the committee is aware that during the life of the Policy there is likely to be a degree of change which, in general, will provide less onerous requirements in certain areas.

The Policy has been designed in such a way as to allow the committee to operate it under a less stringent regulatory regime, while also still ensuring that the operation of the Policy aligns with market best practice for FTSE listed companies.

Any changes to the operation of the Policy, following any regulatory changes being finalised, will be fully disclosed as part of our reporting on the implementation of Policy.

Q. What are the measures and weightings for our annual bonus and PSP?

A. For the bonus and PSP for performance year 2025, the measures will be split 60% financial, 40% non-financial. The balance between financial and non-financial is representative of business strategy and our priorities, and is aligned to market practice in the UK banking sector. It also recognises the expectation of the UK regulators that remuneration contains a significant element of non-financial performance. The proposed non-financial measures are clearly aligned to the interests of stakeholders and our strategy and form the bedrock of delivering long-term sustainable value creation to shareholders.

The tables on the next page give a breakdown of the planned weighting of metrics. Both the risk modifier for the annual bonus and the risk and conduct underpin for the PSP have the ability to reduce the annual bonus and PSP outcome to zero where deemed appropriate.

Q. What will the Relative Total Shareholder Return (TSR) peer group look like?

A. Following extensive analysis of appropriate peers, we have agreed that TSR performance will be measured against a peer group of large UK and Western European banks. The peer group will include the three other major UK listed retail banks (HSBC, Barclays and Lloyds) and in Europe there is a balance across the market with a broad footprint across the main markets. It is currently anticipated that the TSR comparator group will comprise around 18 constituents.

Our analysis concluded that this is the most appropriate approach, recognising our business mix and taking into account that a UK-only group would not be large enough.

While the peer group has been agreed in principle, the final group will be confirmed shortly before the PSP awards are made in order to ensure that they remain relevant and appropriate.





Remuneration at a glance continued

Summary of Policy including key changes if approved by shareholders at the 2025 NatWest Group plc AGM (changes in bold)

Key elements	Performance year	Variable pay grant year	Years +1	+2	+3	+4	+5	+6	+7	+8	+9	+10	Summary of Policy and proposed changes for 2025																				
Base salary													Any future salary increases will take in-role performance into account and will be considered against peer companies. Increases will normally not be greater than the average rate of salary increase for NatWest Group employees over the period of the Policy, other than in exceptional circumstances such as material change in the executive director's role.																				
Pension													The pension allowance rates for executive directors are aligned with the rate applicable to the majority of the wider workforce (currently at 10% of base salary).																				
Benefits													Standard level of benefit funding, currently set at £26,250. Other benefits can be paid within the terms of the Policy.																				
Fixed Share Allowance													An award of shares with an annual value of up to 100% of base salary at the time of award. Shares released over five years. Payable broadly in arrears over the performance year, currently in four instalments per year.																				
Sharing in Success													Maximum award: £1,500 per colleague. Operation: Subject to performance criteria being met, awards will be delivered in shares.																				
Bonus													Maximum award: Until 2024 – 100% of salary. From 2025 – 150% of salary . Operation: Awarded upfront with a 50/50 split of cash and shares. Based on a weighted scorecard of measures, as set out below for performance year 2025. A downwards risk modifier also applies.																				
													<table><tr><th>Financial metrics</th><th>Weighting</th><th>Non-financial metrics</th><th>Weighting</th></tr><tr><td>Group RoTE⁽³⁾</td><td>25%</td><td>Customer</td><td>20%</td></tr><tr><td>Attributable profit</td><td>25%</td><td>Colleague</td><td>10%</td></tr><tr><td>Group operating expenses, excluding litigation and conduct costs</td><td>10%</td><td>Simplification</td><td>10%</td></tr><tr><td>Total</td><td>60%</td><td>Total</td><td>40%</td></tr></table>	Financial metrics	Weighting	Non-financial metrics	Weighting	Group RoTE ⁽³⁾	25%	Customer	20%	Attributable profit	25%	Colleague	10%	Group operating expenses, excluding litigation and conduct costs	10%	Simplification	10%	Total	60%	Total	40%
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Group operating expenses, excluding litigation and conduct costs	10%	Simplification	10%																														
Total	60%	Total	40%																														
Performance Share Plan ⁽¹⁾													Maximum award: 300% of salary . Operation: Delivered in shares. Subject to satisfactory performance pre-grant, and after three years' performance is assessed against a challenging pre-determined scorecard of metrics pre-vesting. Metrics: Includes a mix of financial (minimum of 50%) and non-financial measures, as set out below for performance year 2025. ⁽⁴⁾ A risk and conduct underpin also applies.																				
													<table><tr><th>Financial metrics</th><th>Expected weighting</th><th>Non-financial metrics</th><th>Expected weighting</th></tr><tr><td>Group RoTE⁽³⁾</td><td>30%</td><td>Strategic measures</td><td>25%</td></tr><tr><td>Relative TSR</td><td>30%</td><td>Sustainability⁽⁴⁾</td><td>15%</td></tr><tr><td>Total</td><td>60%</td><td>Total</td><td>40%</td></tr></table>	Financial metrics	Expected weighting	Non-financial metrics	Expected weighting	Group RoTE ⁽³⁾	30%	Strategic measures	25%	Relative TSR	30%	Sustainability ⁽⁴⁾	15%	Total	60%	Total	40%				
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Total	60%	Total	40%																														
Share ownership													Group CEO: 500% of salary. Group CFO: 300% of salary. On leaving, requirement to hold shares of a value equal to the lower of the shareholding requirement immediately prior to departure or the actual shareholding on departure, for a period of two years.																				
Malus and clawback													Any variable pay awarded is subject to malus provisions prior to vesting, and clawback provisions in line with regulations – currently seven (and potentially up to 10) years from the date of award. See page 145 for further details.																				

(1) For performance year 2024, the RSP will remain. The PSP will only apply from performance year 2025 pending shareholder approval. As the first grant of the PSP is in March 2026, the weightings and detail of the measures are illustrative.

(2) Subject to any changes in regulations.

(3) RoTE will be subject to CET1 remaining within our externally guided range of 13-14%, with allowance given for the impact of certain strategic choices where appropriate.

(4) Sustainability metric includes Climate targets.

The directors' remuneration policy (the Policy)

Subject to approval from shareholders, the new Policy set out below will be effective from the date of the 2025 NatWest Group plc AGM. It will apply for a period of three years, until the date of the 2028 NatWest Group plc AGM, unless a revised Policy is approved by shareholders before then. The Policy is also available under the Governance section of natwestgroup.com, along with the full terms of reference of the Group Performance and Remuneration Committee.

References contained within this Policy and its operation are on the basis of current regulatory requirements at the time of publication. Following the publication in November 2024 of the PRA's outstanding consultation paper CP16/24 – 'Remuneration reform', setting out proposed changes to the remuneration regulations for PRA regulated firms – it is foreseen that a number of changes to the regulatory requirements will be made which will take effect following the start of the Policy. There is flexibility within the operation of the Policy to adapt to any changes to the regulatory requirements and the committee will disclose its planned implementation of the Policy after the final regulations are known.

Fixed pay for executive directors

Purpose and link to strategy	Operation	Maximum potential value
Base salary Providing fair levels of base salary and other elements of pay supports the recruitment and retention of high-calibre executives to develop and deliver strategic priorities. Base salary is set at a competitive level to avoid undue reliance on variable pay. This helps to discourage excessive risk-taking.	Base salary is paid monthly in cash and reviewed annually. Rates are determined based on the individual's role, skills and experience and are benchmarked against market practice. We use a peer group, which includes comparable roles in other financial services groups of a similar size, to determine the appropriate level of base salary. We amend this peer group from time to time to ensure it remains relevant.	Any future salary increases will take in-role performance into account and will be considered against peer companies. Increases will normally not be greater than the average rate of salary increase for NatWest Group employees over the period of the Policy, other than in exceptional circumstances such as a material change in the executive director's role.
Fixed share allowance Additional fixed pay that reflects the skills and experience required and the complexities and responsibilities of the role. It also supports the delivery of a balanced remuneration policy offering a suitable mix of fixed and variable pay. Delivery in shares provides strong alignment between the interests of executives and shareholders.	This is a fixed allowance usually paid in shares, quarterly in arrears. Shares vest immediately subject to any deductions required for tax purposes. A retention period applies such that shares are released 20% annually, in five equal tranches, on a pro-rata basis over one to five years from the date of award. ⁽¹⁾ The committee may alter the frequency of release of the shares at their discretion. As shares are held beneficially, the directors will be entitled to any dividends paid on those shares. The fixed share allowance is not pensionable and no performance conditions apply.	An award of shares with an annual value of up to 100% of base salary at the time of award.
Benefits Providing a range of flexible and market competitive benefits that employees value helps them perform their duties effectively.	Executive directors can select from a range of standard benefits including a company car, private medical cover, life assurance and critical illness insurance. Executive directors are also entitled to travel assistance connected with company business including the use of a car and driver. NatWest Group will meet the cost of any tax due on this benefit. On rare occasions when executive directors are accompanied by their spouse or partner to business events, NatWest Group may also meet the costs and any associated tax liability. NatWest Group may offer further benefits including, but not limited to, relocation assistance in line with market practice. We may also put in place certain security arrangements for executive directors when that is deemed appropriate and meet the cost of any tax due on these benefits.	A set level of funding for standard benefits. The maximum potential value of benefits will depend on the type of benefit and the cost of providing it, which will vary according to market rates.
Pension Encouraging planning for retirement and long-term savings.	This involves the provision of a monthly pension allowance paid in cash and based on a percentage of salary. Recipients can use the cash to participate in a defined contribution pension scheme.	The pension allowance rates for executive directors are aligned with the rate applicable to the majority of the wider workforce (currently 10% of base salary).

(1) If regulatory requirements emerge that prohibit allowances from being delivered in shares, then NatWest Group reserves the right to provide the value of the allowance in cash in order to ensure compliance with such requirements.

The directors' remuneration policy and wider workforce remuneration continued

Variable pay for executive directors

Purpose and link to strategy	Operation	Maximum potential value	Performance assessment
<p>Annual bonus</p> <p>To support a culture where individuals are rewarded for the delivery of superior performance, taking into account NatWest Group's strategic objectives and purpose.</p> <p>Performance is assessed on a range of financial and non-financial measures that encourage long-term value creation for shareholders.</p> <p>Alignment with shareholders is further enhanced through the payment of part of the annual bonus in shares, with a holding period.</p> <p>Awards are subject to malus and clawback provisions to support long-term decision-making.</p>	<p>Annual bonus awards will operate as follows:</p> <ul style="list-style-type: none"> – performance will be assessed against a balanced scorecard of measures to determine the value of any award for a particular year; – awards will be delivered in a mix of cash and shares, taking into account regulatory requirements, currently 50% in shares and 50% in cash; – awards will be paid in combination with long-term incentive awards to meet or exceed the deferral period for variable pay in order to comply with regulatory requirements; – a post-vesting retention period may apply to the amount delivered in shares in line with regulations (currently 12 months); and – malus provisions apply prior to vesting, and clawback provisions apply in line with regulations – currently seven (and potentially up to 10) years from the date of award. <p>To determine the number of shares in the bonus element that is payable in shares, we may base the calculation on a share price that is discounted to reflect the absence of the right to receive dividends or equivalents during the vesting period. The discounted share price will be calculated with reference to estimated ordinary dividend yields based on market consensus and the length of the vesting period. If regulations permit the use of dividend equivalents in future, awards may be eligible to receive dividend equivalents instead.</p>	<p>The maximum value of annual bonus awards will be set at 150% of earned salary for executive directors.</p> <p>The level of the award to be paid will normally vest on a straight-line basis between 10% of maximum for threshold performance, 50% of maximum for target performance and 100% of maximum opportunity for each scorecard measure.</p>	<p>The committee will set and assess performance against the scorecard with weightings that apply to each category, with threshold, target and stretch performance hurdles clearly defined to the extent possible. The measures, targets and weightings will reflect NatWest Group's strategic priorities for the year and align with our purpose.</p> <p>Financial measures will account for at least 50% of the annual bonus opportunity.</p> <p>Following the end of the performance year, the committee will determine performance against the targets set. The out-turn will be calculated on a straight-line basis wherever possible (and in all cases where measures are quantifiable).</p> <p>The committee has discretion to vary the performance measures and weightings applying to in-year bonuses in exceptional circumstances. In the event that this discretion is operated, this will be explained in the next Directors' remuneration report.</p> <p>A risk modifier will also apply to the scorecard outcome, enabling risk performance to be assessed and awards reduced, potentially to zero.</p> <p>As well as the application of the risk modifier, the committee also has discretion to determine the appropriate bonus outcome when the assessment of performance against the formulaic measures and targets would drive an unrepresentative outcome or when it is necessary to consider strategic, economic, or societal impacts that were not or could not have been accounted for at the point of agreeing the bonus scorecard.</p>

The directors' remuneration policy and wider workforce remuneration continued

Variable pay for executive directors continued

Purpose and link to strategy	Operation	Maximum potential value	Performance assessment
<p>PSP awards</p> <p>The Performance Share Plan (PSP) is designed to support the execution of the strategy and deliver strong performance over a multi-year period.</p> <p>Stretching performance conditions, coupled with the underlying delivery of all PSP awards in shares, with payments deferred over several years, creates a strong alignment with shareholders over the long term.</p> <p>Awards are subject to malus and clawback provisions to discourage excessive risk-taking to support long-term decision-making.</p>	<p>PSP awards will be granted from 2026 under the Employee Share Plan approved by shareholders at the 2024 NatWest Group plc AGM.</p> <p>PSP awards will operate as follows:</p> <ul style="list-style-type: none"> – a PSP award will be granted provided satisfactory performance has been achieved in the prior year ('pre-grant test'). The pre-grant test will be assessed using the performance management process that applies to employees across the bank; – PSP awards will be assessed against a range of pre-determined performance criteria, following a three-year performance period, to determine the extent to which they will vest; – subject to the assessment of performance conditions, awards will vest in combination with annual bonus awards to meet or exceed any minimum expected deferral period for variable pay under UK regulatory requirements (currently between years three to seven after grant); – a post-vesting retention period may apply to the shares issued on vesting taking into account UK regulatory requirements (currently 12 months in combination with deferred vesting); and – malus can be applied prior to vesting and clawback provisions apply in line with regulations, currently for seven (and potentially up to 10) years from the date of award. <p>Awards will be subject to any other terms regulators require from time to time.</p> <p>To determine the number of shares comprising an award we may use a share price that is discounted to reflect the absence of the right to receive dividends or equivalents during the vesting period. The discounted share price will be calculated with reference to estimated ordinary dividend yields based on market consensus and the length of the vesting period. If regulations permit the use of dividend equivalents in future, awards may be eligible to receive dividend equivalents instead.</p>	<p>The maximum value of PSP awards will be set at 300% of earned salary.</p>	<p>A PSP award will be granted provided performance over the prior year is considered by the committee to be satisfactory, when assessed using our performance management processes.</p> <p>Awards will be subject to forward-looking performance conditions measured over three years commencing in the year that the award is made. The performance conditions will include a mix of financial (which can include relative total shareholder return (TSR)) and non-financial measures. A minimum of 50% of the award will be subject to financial performance conditions.</p> <p>Under each component of the performance scorecard, the portion of the relevant award that will vest will normally be between 25% and 100%, measured on a straight-line basis for performance between threshold and maximum.</p> <p>At the time of vesting, a risk and conduct underpin will also apply, to determine if there has been any material deterioration or a serious conduct/reputational issue that may warrant a downwards adjustment, potentially to zero.</p> <p>The committee will retain the discretion to adjust the final vesting outcome based on any strategic, stakeholder or external factors that are deemed appropriate.</p>

The directors' remuneration policy and wider workforce remuneration continued

Other elements of the Policy for executive directors

Purpose and link to strategy	Operation	Maximum potential value
<p>Shareholding requirements</p> <p>Executive directors must build and continue to hold a significant shareholding both during and after employment.</p> <p>This helps to further align their interests with returns to shareholders over the long term.</p>	<p>Shares held outright qualify towards the shareholding requirement. Unvested share awards count on a net-of-tax basis towards the shareholding requirement once performance conditions have been assessed. When any applicable retention periods have passed, executive directors can dispose of up to 25% of the net-of-tax shares received ('25% shares'). Any shares purchased voluntarily will count towards the requirement but are excluded from the restriction on sale.</p> <p>On leaving, executive directors are required to hold shares of a value equal to the lower of their shareholding requirement immediately prior to departure and the actual shareholding on departure, for a period of two years. The requirement includes vested and unvested shares that have been assessed for performance, but shares purchased voluntarily are excluded from the post-employment shareholding requirement. A fixed number of shares for the post-employment requirement will be determined at the date of departure.</p> <p>Procedures are in place to help enforce the shareholding requirements, both during and after employment. Executive directors are required to agree to be bound by the terms of the requirements and to use prescribed nominee accounts to hold shares subject to restrictions.</p> <p>In order that executive directors can engage in structured, regular share dealing activity, the bank may offer them an annual opportunity to enter into a trading plan in respect of those vested shares which are free from retention requirements. Such trading plans allow executive directors to sell such shares via a broker, on a non-discretionary basis, to assist with cash flow and diversification of their portfolio. Executive directors would only be able to enter into a trading plan with regard to any 25% shares they hold at the date they enter into the plan.</p>	<p>Minimum target requirement:</p> <p>Group CEO – 500% of salary.</p> <p>Group CFO – 300% of salary.</p>
<p>Employee share plans and other all-employee arrangements</p> <p>Providing an opportunity for executive directors to acquire shares in the company on a consistent basis to the schemes offered to UK employees.</p> <p>This helps to further align their interests with returns to shareholders over the long term.</p>	<p>Executive directors may participate in any all-employee share plans operated by NatWest Group on the same basis as other eligible employees. NatWest Group currently operates two voluntary all-employee share plans providing an opportunity for eligible colleagues to contribute from their salary and acquire shares. In the UK, this currently includes:</p> <ul style="list-style-type: none"> – the Sharesave plan, where monthly savings over a fixed period may be used to purchase shares at an agreed option price; and – the Buy As You Earn plan, where shares can be purchased from pre-tax salary. <p>The above all-employee share plans are not subject to performance conditions in line with legislative requirements.</p> <p>NatWest Group also provides the opportunity for all eligible employees to receive a Sharing in Success award of shares, subject to the achievement of specific goals connected to bank strategy. Executive directors receive the same level of award as all other employees.</p>	<p>In the case of the voluntary all-employee share plans, the maximum potential value is determined with reference to the statutory limits that are imposed by HMRC in the UK or the limits under the relevant share plan rules.</p> <p>The maximum level of Sharing in Success award is currently £1,500 per annum for all employees, including executive directors, or such other level as the committee may determine from time to time.</p>

The directors' remuneration policy and wider workforce remuneration continued

Other elements of the Policy for executive directors continued

Purpose and link to strategy	Operation	Maximum potential value
Legacy arrangements To ensure NatWest Group can continue to honour payments due to executive directors.	<p>In approving this Policy, authority is given to honour any previous commitments or arrangements entered into with current or former executive directors. This includes any share awards granted under the 2014 Employee Share Plan. For the avoidance of doubt, all outstanding long-term incentive (LTI) awards or Restricted Share Plan (RSP) awards granted under previous policies will continue to vest subject to the terms agreed at the time of grant.</p> <p>Authority is also given to honour arrangements agreed with an employee prior to appointment as an executive director that may have different terms or performance conditions.</p>	In line with existing commitments and arrangements.

Remuneration for the Chair and non-executive directors

Purpose and link to strategy	Operation	Potential value
Fees Competitive fixed remuneration that reflects the skills, experience and time commitment required for the role. Fees are set at an appropriate level to attract individuals with the attributes needed to oversee the Board's strategy. A portion of fees is paid in cash and used to acquire shares, in line with our shareholding policy, with the objective of aligning the interests of the Chair and non-executive directors, over their respective tenures, with the interests of shareholders.	<p>Fees are normally paid monthly in cash, with a portion of the net monthly fee being retained by the Company and used to purchase shares every quarter. The Board retains discretion to pay fees in cash, shares or a combination of the two.</p> <p>The level of remuneration reflects the responsibility and time commitment required, and the level of fees paid to non-executive directors of comparable major UK companies. We review fees regularly, and the Board may choose to apply an increase within the limits of the Policy on an annual or less frequent basis.</p> <p>The Chair receives an all-inclusive fee. Non-executive directors receive a basic Board fee with additional payments when serving as a member or chair of a Board committee or performing an additional role such as the Senior Independent Director. Non-executive directors may also receive fees as directors of subsidiary companies.</p> <p>No variable pay is provided, enabling the Chair and non-executive directors to maintain appropriate independence, focus on long-term decision-making and constructively challenge the performance of the executive directors and wider management.</p> <p>Additional fees may be payable in exceptional circumstances, including, but not limited to, situations where there has been an unusually heavy time commitment for a particular period.</p>	<p>Any increase to fees will not normally be greater than the average inflation rate or rate of salary increases for the wider workforce over the period of the new Policy. However, we take into account that any change in responsibilities, role or time commitment may merit a larger increase.</p> <p>The Chair is required to build towards a shareholding equivalent to four times the basic Board fee for non-executive directors, and for non-executive directors the target is one times the basic annual Board fee.</p> <p>For non-executive directors the portion of the net monthly fee retained to purchase shares is 25%, and for the Chair it is 10%, until the target shareholding is met. Once the target is achieved, monthly deductions and quarterly purchases will continue at a reduced percentage of net monthly fees (10% for non-executive directors and 5% for the Chair). The shares purchased under the shareholding policy are held in a nominee account with dividends reinvested and shares retained until the director steps down from the Board.</p>



The directors' remuneration policy and wider workforce remuneration continued

Remuneration for the Chair and non-executive directors continued

Benefits Providing a level of benefits in line with market practice.	<p>The Chair and non-executive directors are entitled to travel assistance connected with Company business, including the use of a car and driver, where deemed appropriate. Where this is a taxable benefit for the recipient, NatWest Group will meet the cost of any tax due on the benefit. On rare occasions when directors are accompanied by their spouse or partner to business events, NatWest Group may also meet the costs and any associated tax liability. We may also offer other benefits in line with market practice.</p> <p>In line with our hybrid working model NatWest Group may provide assistance in meeting reasonable costs to support the Chair and non-executive directors in the effective undertaking of their roles from different locations. If additional tax liabilities arise from this practice, NatWest Group will also meet these costs when deemed appropriate. The Chair is entitled to private medical cover and life insurance.</p> <p>Reasonable expenses incurred in connection with the performance of duties will also be reimbursed.</p>	<p>The value of the private medical and life insurance cover provided to the Chair as well as other benefits provided under the Policy will be in line with market rates.</p>
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Other policy elements for directors

Provisions	Operation
Recruitment policy	<p>Our boardroom inclusion policy is in place to ensure that NatWest Group can attract, motivate and retain the best talent and avoid limiting potential caused by bias, prejudice or discrimination. When recruiting new executive directors, the Policy aims to be competitive and to structure pay in line with the framework applicable to current directors (as stated in the tables above), while recognising that adjustment to quantum may be necessary to secure the preferred candidate.</p> <p>A buyout policy exists to replace awards forfeited or payments forgone, which is in line with regulatory requirements. The committee will minimise buyouts wherever possible and ensure they are no more generous than, and on similar terms to, the original awards or payments they are replacing.</p> <p>No sign-on awards will be offered on joining.</p> <p>Any awards granted following recruitment may be made under such NatWest Group employee share plans as are in place from time to time or otherwise in accordance with the relevant provisions in the Listing Rules.</p>
Notice and termination provisions	<p>Executive directors</p> <p>Executive directors' contracts are typically permanent and there is no fixed duration, and, as set out in our executive directors' service agreements, each party is required to give 12 months' notice to the other party to terminate the employment. The committee will ensure that any proposals relating to termination payments recognise that failure is not rewarded. There are no pre-determined provisions for compensation on termination. There is discretion for NatWest Group to make a payment in lieu of notice (based on salary only) which is released in monthly instalments. The executive director must take all reasonable steps to find alternative work and any remaining instalments will be reduced as appropriate to offset income from any such work.</p> <p>Chair and non-executive directors</p> <p>Instead of service contracts, the Chair and the non-executive directors have letters of appointment that reflect their responsibilities and time commitments. There are no notice periods and we will pay no compensation in the event of termination, other than standard payments for the period served up to the termination date.</p> <p>Under the Board appointment policy, non-executive directors are appointed for an initial term of three years, subject to annual re-election by shareholders. At the end of this initial term, a further three-year term may be agreed. Non-executive directors may be invited to serve beyond six years, typically up to a maximum tenure of nine years. In the event of any non-executive directors being invited to extend their tenure beyond nine years, the rationale for any such extension would be explained in NatWest Group plc Annual Report and Accounts for the year in question. The Chair is not subject to the Board appointment policy but is subject to the UK Corporate Governance Code's requirements relating to the maximum nine-year tenure period for chairs.</p> <p>All directors stand for annual election or re-election by shareholders at the NatWest Group plc AGM. All director appointment dates are detailed in the Our Board section of the Corporate governance report.</p>

The directors' remuneration policy and wider workforce remuneration continued

Other Policy elements for directors continued

Provisions	Operation
Treatment of outstanding bonus and share plan awards on termination	<p>On termination, we will treat awards in accordance with the relevant plan rules or other terms on which they were granted. Individuals will only qualify for 'good leaver' treatment if they leave due to ill-health, injury, disability, death, retirement (as agreed with NatWest Group), redundancy, the employing company ceasing to be a member of NatWest Group, transfer of the employing business, or any other reason if, and to the extent, the committee decides in any case. Malus and clawback provisions will continue to apply to all leavers and could be used to adjust awards if subsequent issues relating to executive directors' performance become known.</p> <p>In the event of a change of control, outstanding awards will be treated in line with the provisions of the relevant plan rules, as approved by shareholders.</p> <p>Fixed share allowances</p> <p>Accrued fixed share allowance shares will continue to be released over the applicable retention period helping to ensure that former executive directors maintain an appropriate interest in shares. In all leaver circumstances, executive directors will continue to be eligible to receive a pro-rated fixed share allowance to reflect the period up to and including the termination date.</p> <p>Annual bonus awards</p> <p>Bonus awards will not usually be made in the final year of employment unless the termination is for one of the specified 'good leaver' reasons, in which case a bonus may be payable on a pro-rata basis for the year in which an executive director leaves. Bonus awards will remain subject to the achievement of the performance measures assessed at the year end. Bonuses would continue to be paid in cash and shares.</p> <p>Any deferred bonus awards that are unvested will normally lapse on leaving unless good leaver circumstances apply, in which case the awards will normally continue to vest on the original vesting dates.</p> <p>PSP and RSP awards</p> <p>Unvested PSP and RSP awards normally lapse in full on leaving unless the termination is for one of the specified 'good leaver' reasons. Unvested PSP and RSP awards held by good leavers will normally vest on the original vesting dates, subject to the applicable performance conditions being met and the rules of the relevant plan, including pro-rating for time served (unless the committee exercises discretion to disapply such pro-rating).</p> <p>Individuals under notice will not be eligible to be considered for a PSP award in respect of the final year of employment, even if they are considered good leavers. No further RSP awards will be granted to executive directors following the approval of the Policy by shareholders at the 2025 NatWest Group plc AGM.</p>
Contractual provisions	<p>Executive director service agreements include standard clauses covering remuneration arrangements and discretionary incentive plans (as set out in this report). The agreements also reference: reimbursement of reasonable out-of-pocket expenses; annual leave; redundancy terms and sickness absence; the performance review process; directors' and officers' insurance; the disciplinary procedure; and potential for dismissal in the event of personal underperformance or breaches of NatWest Group's policies.</p> <p>The committee retains the discretion to make payments (including but not limited to professional and outplacement fees) to: facilitate smooth handovers; mitigate against legal claims; and/or procure reasonable assistance with investigations or claims.</p>

The directors' remuneration policy and wider workforce remuneration continued

Summary of proposed changes for executive directors

Under the new Policy, the key changes are as follows:

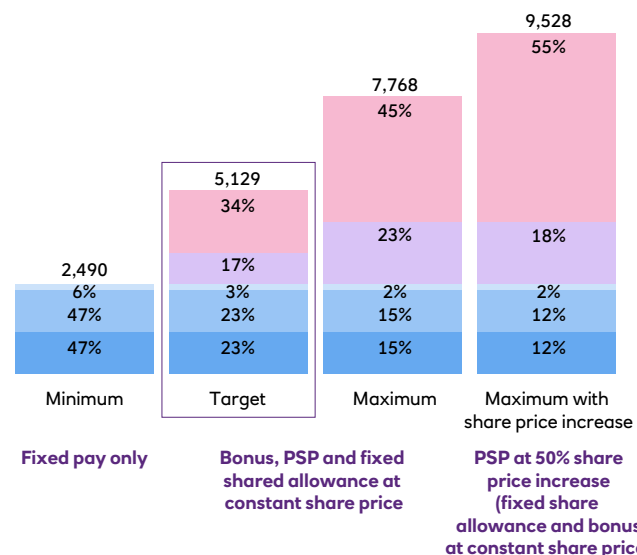
- Annual bonus potential will be increased from 100% to 150% of salary to provide a market-competitive opportunity and subject to the achievement of stretching performance measures.
- RSP awards will be replaced with PSP awards subject to a cap of 300% of salary, as described in the Policy table. This will provide a more market-aligned and competitive remuneration package for executive directors, while incentivising growth and the delivery of our strategy. It will also align more closely to shareholder expectations.

Changes to the Policy for the Chair and non-executive directors

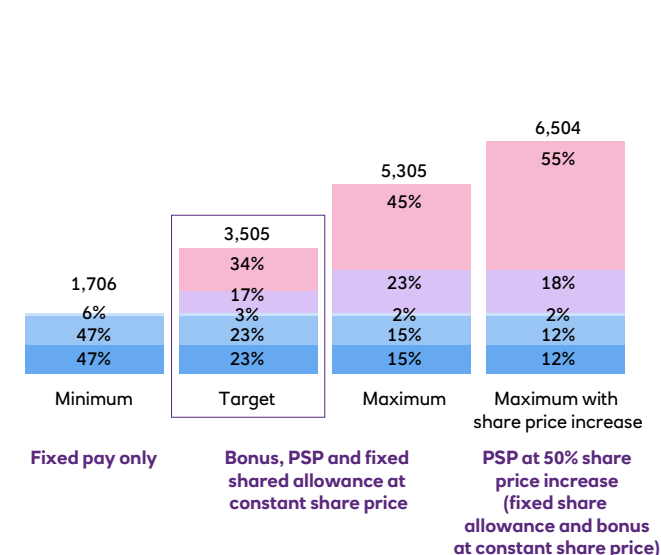
In 2023, NatWest Group introduced a target shareholding policy for the Chair and non-executive directors, to be built through the purchase of shares each quarter using a portion of their net fees. This has now been formally embedded into the Policy, notwithstanding that the shareholding policy has been operational since January 2023.

Illustration of annual remuneration for executive directors under the new Policy

Group Chief Executive Officer (£000's)



Group Chief Financial Officer (£000's)



- (1) The charts above are for illustration only, with minimum representing actual earned fixed remuneration for 2025 (base salary, fixed share allowance, pension and standard benefit funding).
- (2) The target value assumes annual bonus payments will be made at 75% of earned salary and PSP awards will vest at 150% of earned salary.
- (3) Maximum assumes both annual bonus and PSP awards are paid and vest in full at 150% of earned salary for annual bonus and 300% of earned salary for PSP. Maximum with share price increase extends this to show the impact of a 50% increase in the share price over the period of grant to vest.
- (4) The benefits figure includes standard benefit funding but excludes any potential other benefits under the Policy such as travel assistance in connection with company business. We will disclose the value of any taxable business expenses in the total remuneration table each year.
- (5) Percentages in the bar charts show the proportion of each element of pay as a percentage of total pay, at each performance scenario.

The Policy continues to align with Provision 40 of the UK Corporate Governance Code (the Code):

- **Clarity** – There is clarity on how performance will be assessed and the expected behaviours. We provide transparency through our detailed disclosures and engage with shareholders as well as the workforce on our approach to executive pay.
- **Simplicity** – Most of the remuneration for executive directors is share-based and subject to deferral and retention requirements, which creates simple and significant alignment with our shareholders.
- **Risk** – We take risk into account at various stages of the performance assessment process, with underpins and malus and clawback provisions to adjust awards if necessary.

- **Predictability** – Maximum award levels applicable to our annual and long-term incentives, as well as areas of committee discretion, are detailed in the Policy.
- **Proportionality** – Annual bonus and long-term incentive measures are reviewed annually to maintain alignment to strategy. Committee discretion and malus and clawback ensure outcomes do not reward poor performance.
- **Alignment to culture** – Variable pay is subject to sustainable performance and progress against our strategic goals. Shareholding requirements further align the interests of executive directors with the returns to shareholders.



The directors' remuneration policy and wider workforce remuneration continued

Linking executive and wider workforce pay to our strategy and sustainability priorities

Ambition

Succeeding with customers

Purpose

The bank that turns possibilities into progress.

Strategy



Disciplined growth



Bank-wide simplification



Active balance sheet and risk management

Stakeholders



Investors



Regulators







Customers



Communities



Colleagues

Annual bonus		PSP awards		Sharing in Success	
Performance measures	<ul style="list-style-type: none">Financial performanceNon-financial measures including; customer, colleague and simplification measuresDownwards risk modifier	<ul style="list-style-type: none">Financial performanceNon-financial measures including; sustainability and strategic measuresRisk and conduct underpin	<ul style="list-style-type: none">Winning with customersFinancial performanceOur approach to riskDelivering value for shareholders		
					
Alignment with our strategy and stakeholders	<ul style="list-style-type: none">Delivering on our strategy helps to support growth, make a positive contribution to society and drive attractive returns for our shareholders.Linking performance with pay encourages everyone to recognise customer outcomes across the bank.The performance goals and measures agreed for executive directors flow through to the executive management team and wider workforce, adjusted as appropriate to reflect individual areas of responsibility.Having a balanced scorecard of measures and targets helps incentivise strong financial and risk performance as well as outcomes aligned to our strategy.Pay is delivered in a way that aligns with the long-term interests of our stakeholders. For those who receive higher amounts of remuneration, a larger proportion is delivered in shares and subject to holding periods.Through malus and clawback, we can recover variable pay previously awarded where new information comes to light.				
Alignment with our sustainability priorities	<ul style="list-style-type: none">People measures have featured in the performance and pay decisions of our executive directors for over 10 years. Our approach has evolved beyond employee engagement to include purpose and culture targets as well as creating a diverse and inclusive workplace.Our climate focus for 2024 included a target for climate and sustainable funding and financing as well as progressing our Climate transition plan.In 2024, we had targets to build the financial wellbeing of our customers and to support diverse enterprise, prioritising harder to reach groups with higher barriers to entering and growing a business.For our wider workforce, the annual bonus pool is based on performance against a balanced scorecard of strategically important measures: financial performance; customer outcomes; people, culture and diversity; risk management; risk events and progress against our climate and purpose ambitions, broadly aligning with the position for the executive directors and the executive management team.Sharing in Success provides a further way for sustainable performance to be reflected in pay decisions throughout the organisation. For 2024, we measured success based on being brilliant for our customers, underpinned by financial performance, our approach to risk and delivering value for shareholders.				
<div> Details of performance against the 2024 targets for executive directors can be found later in this report. More information on our sustainability priorities can be found in the NatWest Group plc 2024 Sustainability Report, available at natwestgroup.com.</div>					

The directors’ remuneration policy and wider workforce remuneration continued

Wider workforce remuneration

We have invested significantly in colleague⁽¹⁾ pay over the last few years, focusing on rewarding colleagues in a fair, sustainable and transparent way. The remuneration policy for our wider workforce supports a culture where individuals are rewarded for sustained performance and demonstrating the right behaviours. The same principles apply to everyone, adjusted to comply with local requirements. The principles are designed to support a performance culture, be market facing and ensure compliance and governance.

How the committee oversees wider workforce remuneration

Each year the committee:

1

Approves the **remuneration policy principles** and reviews the implementation.

The committee is supported by Subsidiary Performance and Remuneration Committees which review whether the policies and practices are appropriate at the respective legal entity level.

2

Considers a report on **how pay has been distributed** across the workforce.

The report includes analysis by grade and diversity, and there are checks in place to ensure decisions are made fairly.

3

Approves the bonus pool for bonus-eligible colleagues and **Sharing in Success awards**.

The bonus pool is determined after considering performance against a balanced scorecard of strategically important measures. Sharing in Success awards are based on the achievement of pre-defined measures.

4

Reviews the **annual spend on fixed pay**, and **gender and ethnicity pay gap reporting**.

We continue to focus on rewarding colleagues in a fair, sustainable and transparent way. Details of our pay gap reporting are in the Strategic report and at natwestgroup.com.

5

Reviews and **approves share plan offerings** for colleagues.

Sharesave is available to approximately 98% of colleagues, with participants across the UK and India currently eligible to participate in new Sharesave offers. It encourages colleagues to think about their financial wellbeing with an option to buy NatWest Group shares.

Fixed pay			Variable pay		
Salary and pension funding	Benefit funding	Role-based allowances	Sharing in Success	Annual bonus	Long-term incentive
<p>Provided to all colleagues.</p> <p>A competitive level of salary paid in cash and reviewed annually.</p> <p>Additional funding is provided which colleagues can use to save in a company pension scheme. UK colleagues receive pension funding at 10% of base salary. Rates in other locations reflect local market practice.</p>	<p>Applies to certain jobs.</p> <p>Some colleagues receive funding which they can use towards the cost of benefits (e.g. private medical cover) or take as cash.</p> <p>Individuals in some jurisdictions can also join share plans, providing an efficient way to buy NatWest Group shares and align their interests with shareholders.</p>	<p>Applies to some Material Risk Takers (MRTs) only.</p> <p>Delivered in cash and/or shares depending on the level of the allowance and the seniority of the recipient.</p> <p>Shares are released in instalments over a minimum three-year period with a five-year period applying to executive directors.</p>	<p>Provided to all colleagues.</p> <p>Launched in 2023, the scheme is intended to drive a performance culture and further align colleagues with our strategic direction.</p> <p>Subject to performance criteria being met, awards are delivered in shares, with a maximum value of £1,500 per colleague (adjusted for local salary levels).</p>	<p>Applies to mainly manager grade and above including executive directors.</p> <p>The bonus pool is based on a scorecard of measures across our core strategic areas.</p> <p>Allocation from the pool depends on the performance of the business area and the individual. Awards are made in cash and/or shares.</p>	<p>Applies to executive directors and members of senior executive committees.</p> <p>Delivered in shares.</p> <p>Long-term incentive arrangements comprise RSP until PY 2024, with PSP from PY 2025 onwards, subject to shareholder approval of the Policy.</p>

Pay for executive directors is aligned with the wider workforce, with two main differences: (i) the use of long-term incentive awards; and (ii) a requirement to maintain a holding of shares in NatWest Group, both during and after employment. These differences are deliberate and recognise that it is in the best interests of our stakeholders for executive directors to have a significant proportion of their remuneration paid in shares and subject to long-term shareholding requirements.

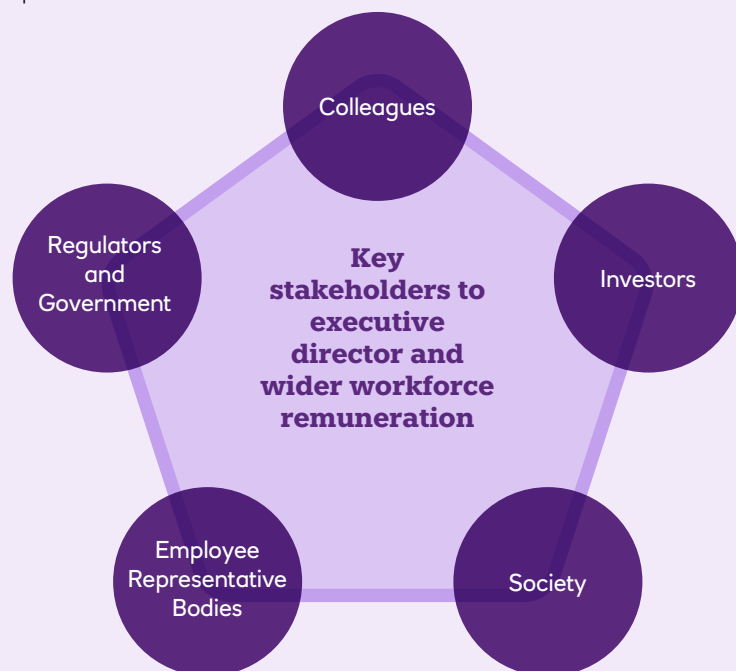
(1) Colleagues mean all permanent employees and, in some instances, members of the wider workforce e.g. temporary employees and agency workers.

The directors' remuneration policy and wider workforce remuneration continued

Engaging with our colleagues and wider stakeholders

We listen to our colleagues and shareholders regularly and use their feedback to inform our approach to remuneration.

- Our colleague engagement survey (Our View) allows people to have a say on what it feels like to work at NatWest Group. 82% of our colleagues took part in the latest survey. Colleague sentiment on reward declined slightly in 2024, but remains above the Global Finance Services Norm.
- We help colleagues to have an awareness of financial and economic factors affecting our performance through quarterly Results Explained communications and events with our Group CEO and Group CFO.
- We consult with our employee representative bodies on remuneration at relevant points during the year.
- Regular question and answer sessions take place between colleagues and senior executives throughout the year.
- Our Chair of the Group Performance and Remuneration Committee regularly engages with shareholders to seek feedback to guide our decision-making.
- We consult with and align with the relevant regulators, following any updates and best practice.
- The committee also tracks pay gaps, monitoring the actions being taken to close them.



Colleague Advisory Panel (CAP)

Our CAP continues to be an effective way to strengthen colleague voice in the Boardroom, by enabling two-way discussions on topics important to them. By connecting colleagues directly with the Board, this deepens our understanding of colleague sentiment. The CAP is chaired by Roisin Donnelly, one of our non-executive directors, and she is joined by at least two additional Board members in every CAP meeting. CAP membership is refreshed regularly, and it currently comprises 28 colleagues who are self-nominated and are representative of the bank's population e.g., business area, grade, location and working pattern. Following each meeting, a report summarising the main points discussed is presented at the next Board meeting. Roisin then updates CAP members with feedback from the Board discussion.

In 2024, CAP meetings were held in May and November. Topics are either chosen by CAP or are requested by Board, and in 2024 have included our purpose, our performance management approach Beyond, responsible artificial intelligence and our standing annual item: executive and wider workforce remuneration. Short presentations are held on each topic, followed by group discussions to allow for questions and debate.

The May 2024 meeting focused on executive remuneration and its alignment to wider workforce pay. Lena Wilson, non-executive director and Chair of the Group Performance and Remuneration Committee, gave a presentation covering

the directors' remuneration policy; the latest colleague sentiment on reward; a review of the first year of Sharing in Success; investments made in colleagues throughout 2023 and 2024; and the alignment of wider workforce and executive pay and how it supports our strategy.

Discussion was also held on how remuneration covers more than just pay and includes employee benefits and wellbeing, investment in learning opportunities, as well as market leading policies such as Partner Leave. CAP members discussed the Sharing in Success scheme and suggested regular updates for colleagues on how the bank is progressing against its targets. These suggestions were actioned with a half-year progress update being added to our Sharing in Success intranet pages for all colleagues to read and understand progress during 2024.

Aligning remuneration with our culture

In determining performance outcomes, we consider both the achievements made and how they have been delivered. Our Code of Conduct sets out clear expectations of appropriate behavioural standards, supported by our values. If a colleague's behaviour falls below these expectations, this will be reflected in their performance conversations, fixed pay progression and variable pay decisions (where their role is eligible). The governance is clearly laid out, with specific senior manager roles having defined accountabilities which are reflected in their performance and pay decisions.

The directors' remuneration policy and wider workforce remuneration continued



We are making good progress in building a diverse, equitable and inclusive workplace. Performance measures to support progress in this area affect the pay of executive directors, senior management and other bonus-eligible colleagues. Pay equality, including neutrality in respect of protected characteristics such as sex and race, is a core feature of our approach to support fair pay across NatWest Group.

Our NatWest Group pay gap reporting and Our Code of Conduct can be found at natwestgroup.com. Details on how we support colleague learning, wellbeing, create an inclusive workplace and progress against our targets are in the Diversity, equity and inclusion and Our colleagues sections of the Strategic report.

Adjusting remuneration in light of new information

An accountability review process allows NatWest Group to respond where new information would change our variable pay decisions made in previous years and/or the decisions to be made in the current year. The process is used to apply commensurate ex-post risk adjustments to variable pay, where material failure of risk management, material error or employee misbehaviour are identified.

Malus provisions allow us to reduce the amount of any unvested variable pay awards, potentially to zero, prior to payment. Clawback can be used to recover variable pay awards that have already vested and we can also apply

in-year bonus reductions to adjust variable pay that would otherwise have been awarded for the current year. The circumstances in which we may make adjustments include:

- Conduct which results in significant financial losses for NatWest Group;
- an individual failing to meet appropriate standards of fitness and propriety;
- an individual's misbehaviour or material error;
- NatWest Group or the individual's business unit suffering a material failure of risk management; and
- For malus and in-year bonus reduction only, circumstances where there has been a material downturn in performance of the relevant business unit.

This list is not exhaustive and further circumstances may be considered where appropriate.

Malus can be applied to any unvested awards, which for our most senior colleagues can be up to seven years after the original award grant date. For all Material Risk Takers, clawback can be applied for at least seven years after an award is granted, and this period can be extended to 10 years post grant in certain circumstances for Senior Manager Function roles. These periods align to regulatory requirements and take account of the fact that new information may take several years to come to light after an event.

Adjustments in 2024

Since the last Directors' remuneration report, no new matters have been raised in relation to the executive directors. We will advise of any changes in future disclosures.

Annual remuneration report

Single total figure of remuneration for executive directors for 2024 (audited)

	Paul Thwaite		Katie Murray	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Base salary	1,142	458	788	782
Fixed share allowance	1,142	458	788	782
Benefits	92	34	42	30
Pension	97	0	79	78
Total fixed remuneration	2,474	951	1,697	1,673
Annual bonus	890	245	599	409
Long-term incentive	1,572	508	2,224	859
Other benefits	1	2	1	3
Total variable remuneration	2,463	755	2,824	1,271
Total remuneration	4,936	1,706	4,520	2,944

- (1) **Fixed share allowance:** The fixed share allowance is based on 100% of salary and, as part of fixed remuneration, is not subject to any performance conditions.
- (2) **Benefits:** Includes standard benefit funding at £26,250 per annum. For Mr Thwaite this includes travel assistance in connection with company business (£63,154) and assistance with home security (£2,924). For Ms Murray it includes travel assistance in connection with company business (£12,824) and assistance with home security (£2,924).
- (3) **Pension:** Executive directors receive a monthly pension allowance of 10% of base salary and can choose to participate in the company's pension arrangements. Mr Thwaite stopped being a member of the defined benefit pension scheme on 28 February 2024. The value of the defined benefit pension for Mr Thwaite from 1 January to 28 February 2024 is based on the capitalised pension accrual (net of CPI inflation) during the period less the direct employee contribution (£2,918). Due to Mr Thwaite's pensionable salary not increasing over this period and the CPI inflation figure required to be used in the calculation, the outcome of this calculation was negative £78,280. As the aggregate value of these elements is negative, in line with regulations, the amount included in the single figure for 1 January to 28 February 2024 is zero. Full details of the defined benefit pension scheme can be found in the 2023 Directors' remuneration report.
- (4) **Annual bonus:** In determining bonus awards for 2024, the committee assessed performance against financial, strategic and personal measures as set out below and on the next page.
- (5) **Long-term incentive:** The 2024 value relates to LTI awards granted in 2022. The committee assessed performance prior to vesting and also considered whether the outcome could represent a windfall gain, as set out on pages 149 and 150.
- (6) **Other benefits:** The 2024 value relates to the first Sharing in Success award delivered in NatWest Group shares in May 2024 to all colleagues (including executive directors). Awards of £1,000 per colleague were made in respect of 2023 performance (adjusted for local salary levels). See page 129 for details of the performance conditions. The 2023 value refers to our employee share plan Sharesave. There are no Sharesave gains for the executive directors in 2024.

Annual bonus performance assessment for 2024

The committee considered performance against financial and non-financial measures set to reflect our strategy as well as risk and personal performance by the executive directors. Bonus awards of 50% of maximum would be expected to be made for the achievement of target performance. The outcome of the assessment against the measures and targets under the bonus scorecard is set out in full on the next page.

The committee noted that Mr Thwaite has evidenced strong overall performance during 2024, and that has been demonstrated in feedback from the Group Chair and other Group Board members. Mr Thwaite has overseen the delivery of strong results and share price growth, maintained good risk management discipline and demonstrated strong strategic, operational and cultural leadership.

Ms Murray was also considered to have delivered good overall performance. In particular, good progress has been made on the evolving approach to Investor Relations, with strong engagement throughout 2024 and improving investor sentiment. It was also recognised

that there has been good financial performance overall, delivering on the bank's strategic targets on balance sheet management, and maintaining a focused effort on costs and efficiency.

The committee agreed the final outcome reflected the considerable achievements by the executive directors and therefore no further discretion was applied to the resulting award levels.

The maximum bonus award was set at 100% of base salary for 2024. The final bonus amounts are set out below and awards will be made in early 2025, split equally in cash and shares. Malus and clawback provisions apply to the awards and the shares will be subject to a 12-month retention period.

	Maximum award	Final bonus award	Award level %
Paul Thwaite	£1,142,243	£890,150	77.93%
Katie Murray	£787,950	£598,606	75.97%

Annual remuneration report continued

Annual bonus performance assessment for 2024

Annual bonus measures	Minimum (10% payable)	On target (50% payable)	Maximum (100% payable)	Weighting	Weighted outcome
Financial (60%)					
Group RoTE ^{(1),(3)}	11.7%	12.8%	14.3%	30%	30.00%
			Achieved 14.8%		
Group underlying income ^{(2),(3)}	£13 billion	£13.5 billion	£14 billion	10%	10.00%
			Achieved £14.2bn		
Group cost: Achieve operating expenses excluding litigation & conduct	£7.8 billion	£7.7 billion	£7.6 billion	10%	5.00%
		Achieved £7.7bn			
CET1 ⁽⁴⁾	n/a	CET1 target range of 13-14%	n/a	10%	5.00%
		Achieved 13.6%			
Strategic (35%)					
Climate					
Climate and sustainable funding and financing	£25.0 billion	£25.8 billion	£30.0 billion	5%	5.00%
			Achieved £31.5bn in 2024		
Implementation of the Climate transition plan ⁽⁶⁾	2 out of 3 targets met	All 3 targets met	3 out of 3 targets exceeded	5%	3.75%
		2 out of 3 targets exceeded			
Customer					
Aggregated view of Net Promoter Score (NPS) and Customer Touchpoint Rating (CTR) for our brands ⁽⁷⁾	Meet target on average			10%	4.72%
	Target met on average				
Purpose, culture and people					
Purposeful Leadership score (Our View)	80	84	86	3.33%	2.50%
			Achieved 85		
Culture score (Our View)	71	83	85	3.33%	1.67%
		Achieved 83			
Percentage of females in top three layers of the organisation (globally) ⁽⁸⁾	40%	43%	45%	1.67%	0.84%
		Achieved 43%			
Percentage of colleagues from ethnic minority groups in top four layers (UK) ⁽⁸⁾	12%	13.5%	15.5%	1.67%	0.70%
		Achieved 13.2%			
Enterprise and capability					
Supporting diverse enterprise, prioritising support for harder to reach groups ⁽⁹⁾	332,500	350,000	402,500	1.67%	1.65%
			401,478 customer interactions		
To help 10 million people, per year, to manage their financial wellbeing by 2027: Number of unique people using Financial Health Checks and Digital Features	6.65 million	7 million	8.05 million	1.67%	1.50%
			Achieved 7.8 million in 2024		
To improve the financial wellbeing of young people and help them to feel more confident about their future	0.95 million	1 million	1.15 million	1.67%	1.60%
			Reached 1.14 million young people in 2024		
Personal measures (5%)					
Discretionary assessment at year end for both executive directors	Strong performance across core areas by both directors.			5%	4.0% (CEO) 3.0% (CFO)
Downward risk modifier (0-100%)					
Downward risk modifier of 0.96% applied for the Group CFO. No downward risk modifier applied for the Group CEO.				Final outcome post risk modifier	77.93% (CEO) 75.97% (CFO)

Performance achieved in 2024

The reconciliation to the reported figures and footnotes for the table above is set out on the next page.

Annual remuneration report continued

Reconciliation to reported figures and footnotes

	Amount (£billion)	Group RoTE	Group underlying income excluding notable items (£billion)	Group operating costs, excluding litigation & conduct costs (£billion)
Reported figure		17.5%	£14.6	£(7.9)
Base rate adjustment	£0.2 ⁽⁵⁾	(0.6)%	£(0.2)	
Other income not driven by management actions	£0.3 ⁽⁵⁾	(0.8)%	£(0.3)	
Gains from interest and FX risk management derivatives not in accounting hedge relationships, own credit adjustments and FX losses	£0.1 ⁽⁵⁾	(0.3)%		
Increase in bank levies, costs in relation to retail share offering and strategic costs in respect of the Poland branch exit	£(0.2) ⁽⁵⁾	0.6%		£0.2
Deferred tax asset and tax rate	£0.4	(1.6)%		
Figures used in bonus scorecard		14.8%	£14.2	£(7.7)

(1) For the purpose of assessment under the bonus scorecard, adjustments are made to the published RoTE to exclude material factors outside of management's control. Items will only be adjusted if this results in an impact of at least 0.25% to the RoTE figure.

For performance year 2024, these include:

- Material changes in base rate from that assumed at the beginning of the year;
- Gains from interest and FX risk management derivatives not in accounting hedge relationships, own credit adjustments, and the timing of FX losses;
- Deferred tax asset and effective tax rate changes;
- Other income not driven by management actions; and
- Increase in bank levies, costs in relation to retail share offering and strategic decision to exit Poland branch operations within operating costs.

(2) Similarly for income, the definition for the purpose of the scorecard excludes the material changes in base rate from that assumed at the beginning of the year as well as other income not driven by management actions.

(3) For operating expenses, the impact of increase in bank levies and costs in relation to retail share offering have been excluded in line with our external guidance; as well as excluding the impact of the strategic decision to exit Poland branch operations.

(4) Capital has been assessed on a qualitative basis against the range.

(5) Amounts quoted are pre tax whereas RoTE impacts are post tax.

(6) Targets: Volume of customer engagement through carbon tracking, energy and retrofit journey tools; Number of large customers for which the Customer Transition Plan Assessment (CTPA) is undertaken; and % of in-scope AUM which align to a net zero trajectory. Achieved: Volume of customer engagement through carbon tracking, energy and retrofit journey tools achieved with the following two targets exceeded: 2024 achievement of 573 CTPA assessments undertaken versus a target of 100; and achievement of 58% of in-scope AUM versus a target of 40%. Full details on climate metrics can be found in the NatWest Group plc 2024 Sustainability Report.

(7) As NPS is not available for NatWest Markets, an internal CTR is applied to assess NatWest Markets' customer performance. The aggregated view reflects the contribution of each franchise to NatWest Group's income. Targets: Consumers: Maintain NatWest Retail Main Bank NPS at +22. Businesses: Maintain NatWest Business Banking £0-750k NPS at -6 and maintain NatWest Commercial Mid-Market (£750k-£250m) NPS at +11 and maintain NatWest Large Corporate >£250m NPS at +19. Wealth: Maintain Premier NPS at +17. Improve Coutts NPS to +34. RBSI: Improve NPS by 2 points on the new 2024 baseline to +43. NatWest Markets: Maintain average CTR of 75%. We met or exceeded six out of the eight customer goals set for 2024. The weighted average rating across these eight targets mean that the Customer outcome is 4.72%.

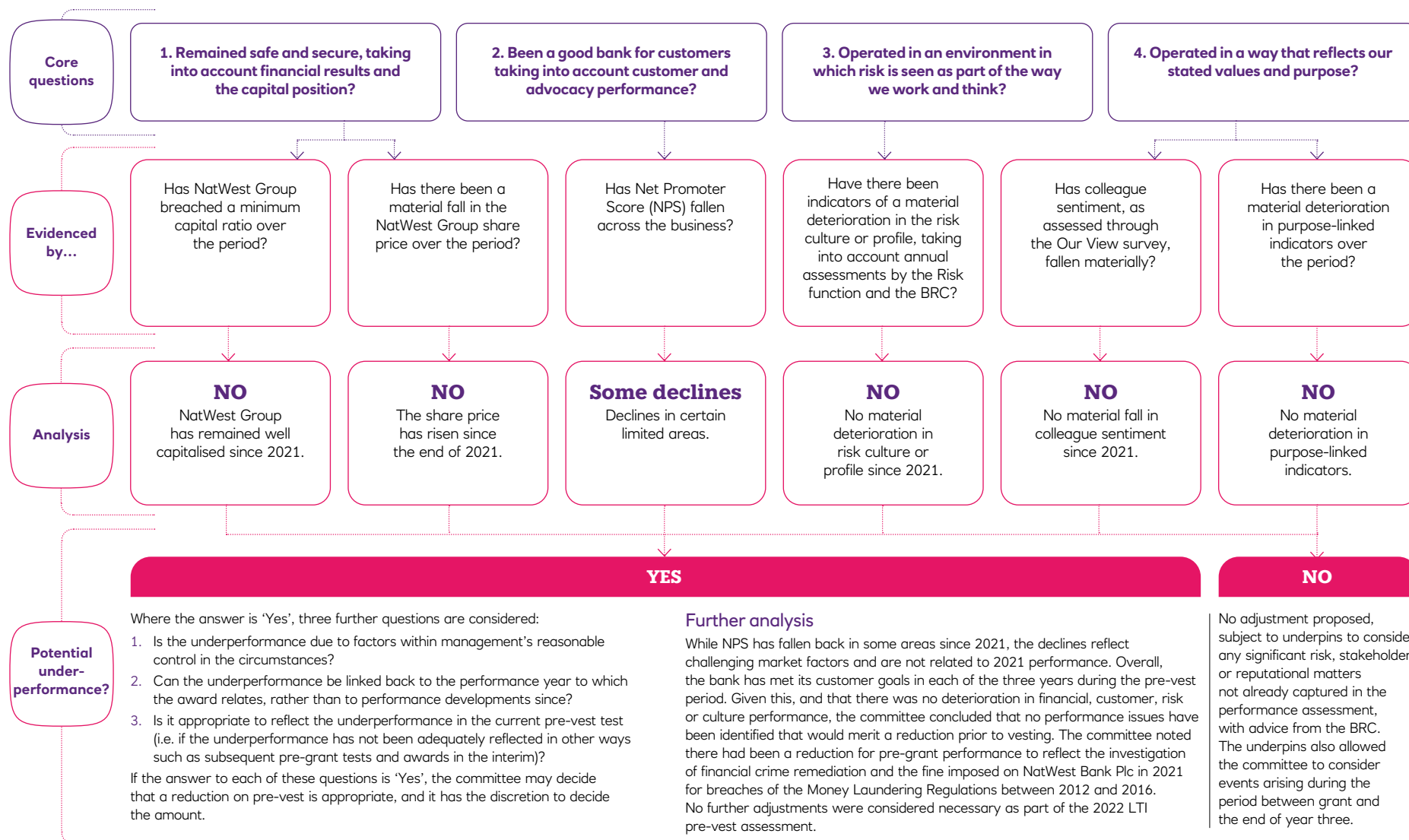
(8) NatWest Group's management structures were revised during 2024. For the purpose of remuneration reporting, the representation targets were set based on the management structures in place at the start of 2024, with performance assessed at 31 December 2024.

(9) Support UK businesses through enterprise programmes with 350,000 interventions to start, run and grow a business. In-person support (where measurement is possible; excluding digital) being distributed as follows: 75% to UK regions outside London & South East; 50% to females; 20% to individuals from ethnic minority groups.

2022 LTI award – Pre-vest performance assessment framework

LTI awards were made in early 2022 following an assessment of performance over the 2021 financial year. Before vesting, the committee carries out a further review to consider whether anything has come to light which might call the original award into question. Internal control functions, the Group Board Risk Committee (BRC) and Korn Ferry, as independent advisers, support the committee in this assessment, with the outcome set out below.

Looking back to performance for 2021 and ‘knowing what we know now’, has NatWest Group;



Annual remuneration report continued

Vesting of 2022 LTI awards (audited)

LTI awards were granted to Mr Thwaite and Ms Murray in March 2022 in respect of performance year 2021. Individual performance was considered to be strong in 2021 for both Mr Thwaite and Ms Murray. In light of the performance achieved, the committee agreed that LTI awards of £747,300 for Mr Thwaite and £1,057,500 for Ms Murray would be appropriate. This represented 70.5% of the maximum LTI award available.

In order to ensure parity of treatment with the wider workforce, the LTI outcome reflected an adjustment to mirror the downward adjustment to the 2021 bonus pool for the fine imposed on NatWest Bank Plc in 2021 for breaches of the Money Laundering Regulations between 2012 and 2016, and the investigation of financial crime remediation.

At the end of 2024, a further assessment took place to review whether anything had come to light which might call into question the original award. The pre-vest assessment found that there had been no material deterioration in financial, customer, risk, culture and purpose performance since grant. Overall, the data indicated that the required level of sustainable performance had been achieved and no further reductions were made to the 2022 LTI awards under the pre-vest test.

The committee also considered the potential application of risk and stakeholder perception underpins, which included a detailed discussion of whether the vesting outcome could result in potential windfall gains. The committee used our pre-disclosed framework and a range of other factors to assess windfall gains and

agreed there was a strong rationale for not making any adjustment. The committee considered the following factors:

- the level of the grant price in comparison to the preceding year – the 2022 LTI grant price was £1.8205 while the 2021 grant price was £1.8660. This represents a reduction of 2.438%.
- the level of share price appreciation (if any) over the period up to vesting – NatWest Group financial performance during 2021 to 2024 has remained strong, during what has been a particularly volatile period. This is reflected in share price growth of 140% over the period from January 2021 up to the end of October 2024.
- consideration of whether share price appreciation was unique to NatWest Group and indicative of strong management performance – Share price growth over this period in our view reflects the improvement in the financial performance of NatWest Group as reflected in the profit and RoTE performance during the pre-vest period and Total Shareholder Return (TSR) outperformance compared to other peer UK banks.

Considering the above, the committee concluded that no further adjustment was required to be made to the 2022 LTI awards prior to vesting.

A summary of the position from grant to vest is set out in the table along with the estimated vesting values for the 2022 LTI award, which is used in the single total figure of remuneration table. The shares will vest in equal amounts between 2025 and 2029, followed by a 12-month retention period. Malus and clawback provisions also apply.

2022 LTI Award	Paul Thwaite		Katie Murray	
	Shares	Value	Shares	Value
Maximum opportunity	582,258	£1,060,000	823,950	£1,500,000
Reduction for pre-grant test	171,766	£312,700	243,065	£442,500
Award granted	410,492	£747,300	580,885	£1,057,500
Reduction for pre-vest test	–	–	–	–
Amount post performance tests	410,492	£747,300	580,885	£1,057,500
Increase in value due to share price	–	£824,432	–	£1,166,649
Estimated vesting value	–	£1,571,732	–	£2,224,149

(1) Share price used to determine the value of awards was £1.8205. This was determined using the share price at grant of £2.2334 which was discounted to reflect the absence of the right to receive dividends or dividend equivalents during the vesting period, in line with the shareholder approved Policy. The estimated vesting value was based on share price of £3.8289, the average over the three-month period from October to December 2024.



Annual remuneration report continued

Scheme interest – RSP awards granted during 2024 (audited)

	Grant date	Face value	Award price ⁽¹⁾	Shares awarded ⁽²⁾	Vesting levels	Performance requirement
Paul Thwaite	07-Mar-24	£1,215,775	£1.7943	677,576	Between 0% – 100% with no set minimum vesting	The award was subject to a pre-grant assessment of performance over 2023. The committee will make a further assessment at the end of the three-year performance period (covering financial years 2024 to 2026) to determine whether sustainable performance has been achieved. Before vesting, the outcome will be reviewed by the committee using the underpin criteria below, as well as their broader discretion.
Katie Murray	07-Mar-24	£1,173,320	£1.7943	653,915		

(1) The award price shown is calculated as the average share price over the five days prior to the grant date, discounted to reflect the absence of the right to receive dividends or dividend equivalents during the vesting period, in line with the Policy. For reference, the full market price of NatWest Group shares at the time of grant for the 2024 RSP awards was £2.4410.

(2) The conditional share awards equated to 150% of base salary. The number of shares was calculated taking into account performance and the maximum potential award. Subject to the pre-vest assessment, these awards will vest in equal amounts between years 2027 and 2031. Service conditions and malus provisions apply up until vest, and clawback provisions apply for a period of at least seven years from the date of grant.

RSP awards to be granted for 2024 (audited)

RSP awards are granted provided the committee considers performance over the prior year has been satisfactory, based on an assessment against our internal performance management framework. The determination of whether satisfactory performance has been achieved is based on a full review that performance goals have been fully achieved throughout the year and behaviours have been demonstrated at the required level.

This normally results in the RSP award being granted at maximum. Performance against regulatory accountabilities is also considered.

The maximum RSP award under the current Policy is limited to 150% of base salary. Mr Thwaite and Ms Murray both fully achieved or exceeded the relevant performance goals, and behaviours were demonstrated at the required level. All regulatory accountabilities were also met. Noting the achievements by both executive directors over the year, the

committee agreed that RSP awards would be granted at maximum, in line with the Policy.

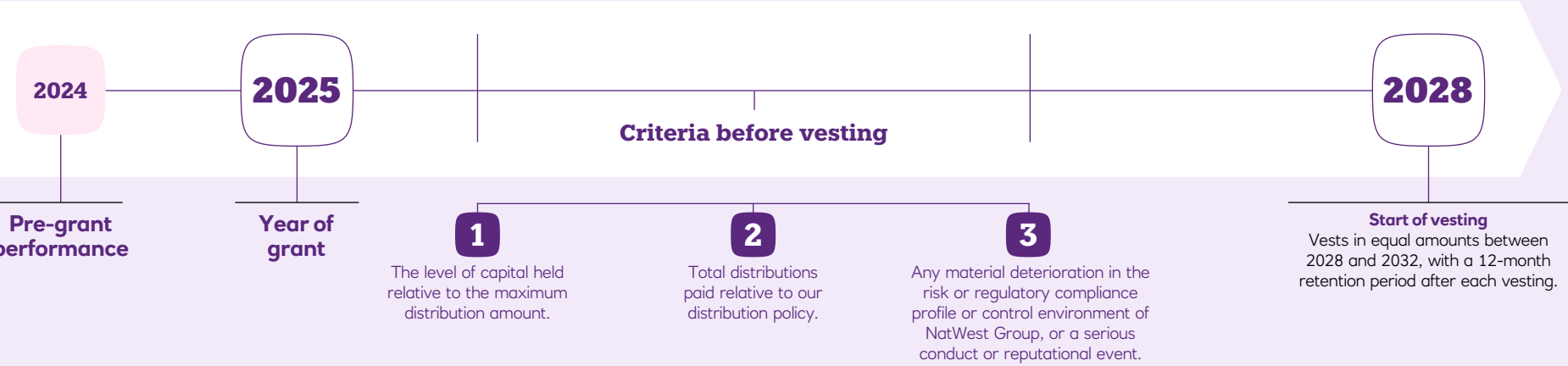
As a result, Mr Thwaite and Ms Murray will receive RSP awards of £1,713,364 and £1,181,925 respectively. The awards will be delivered entirely in shares and are subject to conditions before vesting. Malus and clawback provisions will also apply.

Pre-vest underpin

The committee will make an assessment at the end of the three-year performance

period (covering financial years 2025 to 2027) to determine whether sustainable performance has been achieved. Before vesting, the outcome will be reviewed using the underpin criteria below. Following the assessment, RSP awards may vest in full, in part or lapse in their entirety, with discretion to consider other factors and apply discretion before deciding the final vesting outcome. This will mitigate any potential unintended outcomes that might arise and ensure that there is a fair outcome.

A sustainable level of performance over the period will be considered with reference to:



Annual remuneration report continued

Remuneration for the Chair and non-executive directors in 2024

The Chair's composite fee was increased from £775,000 to £800,000 per annum and the basic Board fee was increased from £85,000 to £88,000 per annum from 1 May 2024. The increases were made after considering the fees paid by other major UK banks as well as salary increases for the wider workforce. The increases of 3.23% and 3.53% respectively were lower than the 4% average salary increase applied across our global workforce from April 2024. The Colleague Advisory Panel (CAP) Chair fee was unchanged at £15,000. All changes were within the scope of the Policy approved by shareholders and no directors were involved in decisions involving their own remuneration. All other fee increases are detailed in the table below.

	2023 fees £	2024 fees £	Increase £	Increase %
Chair – composite fee	775,000	800,000	25,000	3.23
Basic Board fee	85,000	88,000	3,000	3.53
Senior Independent Director (SID)	36,000	37,000	1,000	2.78
Chair – GAC, BRC and RemCo ⁽¹⁾	75,000	77,500	2,500	3.33
Chair – SBC ⁽¹⁾	65,000	67,500	2,500	3.85
Member – GAC, BRC and RemCo ⁽¹⁾	35,000	36,000	1,000	2.86
Member – N&G ⁽¹⁾	16,000	16,500	500	3.13
Member – SBC ⁽¹⁾	32,000	33,000	1,000	3.13
NatWest Markets plc Chair – composite fee	280,000	290,000	10,000	3.57

(1) GAC (Group Audit Committee), BRC (Group Board Risk Committee), RemCo (Group Performance and Remuneration Committee), N&G (Group Nominations and Governance Committee), SBC (Group Sustainable Banking Committee).

For NatWest Group plc Board directors who also serve on the boards and committees of NatWest Holdings Limited, National Westminster Bank Plc and The Royal Bank of Scotland plc, the fees above reflect membership of all four boards and their respective Board committees and no additional fees are paid for membership of these entities. Directors may also receive fees for membership of other subsidiary company boards and committees, the value of which would be included below. No variable pay is provided to the Chair and non-executive directors. Further details of Board and committee members and their attendance at meetings can be found in the Board and relevant committee reports.

Total remuneration for the Chair and non-executive directors in 2024 (audited)

	Fees		Benefits ⁽¹⁾		Total	
	2024	2023	2024	2023	2024	2023
Chair (composite fee)	£'000	£'000	£'000	£'000	£'000	£'000
Howard Davies ⁽²⁾	226	767	0	6	226	772
Rick Haythornthwaite ⁽³⁾	596	–	68	–	664	–
Non-executive directors						
Frank Dageard	287	277	3	2	290	279
Roisin Donnelly	147	118	6	6	153	124
Patrick Flynn	216	219	9	3	225	222
Geeta Gopalan ⁽⁴⁾	44	–	3	–	47	–
Yasmin Jetha	153	158	4	5	157	163
Stuart Lewis	216	139	6	5	222	144
Mark Seligman	211	204	9	5	220	209
Lena Wilson	248	278	23	11	271	289

(1) The benefits column for the Chair includes travel assistance in connection with company business, as well as private medical cover, life cover and expenses in connection with travel and attendance at Board meetings. Non-executive directors are reimbursed expenses incurred in connection with travel and attendance at Board meetings.

(2) Howard Davies stepped down as Chairman on 15 April 2024.

(3) Rick Haythornthwaite was appointed to the Board as a non-executive director on 8 January 2024 before becoming Chair on 15 April 2024. His fees are inclusive of Q1 2024 fees paid as a non-executive director prior to becoming Chair. His benefits include travel assistance in connection with company business (£54,087), as well as private medical cover, life cover and expenses in connection with travel and attendance at Board meetings.

(4) Geeta Gopalan was appointed to the Board with effect from 1 July 2024.

Annual remuneration report continued

Payments for loss of office and payments to past directors (audited)

As previously disclosed, former Group CEO Alison Rose received fixed pay elements for her contractual notice period which ended on 26 July 2024 in line with the terms of our approved Policy. Full details can be found in the 2023 Directors' remuneration report.

We also made a payment of £916 in April 2024 relating to Ross McEwan, who stepped down as Group CEO in 2019. The payment was made to Deloitte in respect of services rendered for a tax return for a business trip to California while Mr McEwan was in employment with NatWest Group. This met requirements to report historic business travellers to the California tax board.

There are no other payments to past directors to disclose for 2024.

Implementation of remuneration policy in 2025

Pay arrangements

Both executive directors will receive annual bonus and RSP awards in March 2025 in respect of the 2024 performance year. Full details of these awards can be found on pages 146 and 151. In December 2024, the committee agreed that a 2% salary increase would apply from 1 April 2025 for both the Group CEO and Group CFO. This compares to an average salary increase for the global workforce at 3.3%. Pay arrangements for the 2025 performance year are set out below.

	Salary (1 Jan 2025)	Salary (1 Apr 2025)	Standard benefits ⁽¹⁾	Pension	Fixed share allowance ⁽²⁾	Maximum bonus award for 2025 ⁽³⁾	Maximum PSP award for 2025 ⁽⁴⁾
Paul Thwaite	£1,155,660	£1,178,773	£26,250	10% of salary	100% of salary	£1,759,492	£3,518,984
Katie Murray	£787,950	£803,709	£26,250	10% of salary	100% of salary	£1,199,654	£2,399,308

(1) Amounts shown relate to standard benefit funding. Executive directors are also entitled to benefits such as travel assistance and security arrangements in line with the Policy. We will disclose the value of benefits received each year. Executive directors are eligible to participate in all-employee share plan arrangements on the same basis as colleagues.

(2) Fixed share allowance is payable broadly in arrears, currently in four instalments per year. The shares will be released in equal amounts over a five-year period.

(3) The maximum bonus award under the Policy is proposed to be set at 150% of base salary and is calculated on salary earned over the year. The award is expected to vest at 50% where on-target performance is achieved across the scorecard.

(4) The maximum PSP award under the Policy is set at 300% of base salary and is calculated on salary earned over the year. The maximum value of the PSP award receivable by the CEO and CFO for 2025 would increase to £5,278,476 and £3,598,962 respectively in the event there was a 50% increase in the NatWest Group plc share price over the PSP three-year period from grant to vest.

Annual bonus and PSP for 2025

Subject to being approved by shareholders at the 2025 NatWest Group plc AGM, the Policy on pages 134 to 141 will apply to the executive directors from 2025. The committee intends to implement the new Policy as follows:

Annual bonus performance assessment for 2025

The annual bonus scorecard will be based on weighted performance measures and appropriately stretching targets across financial and non-financial areas that align with our strategy. For 2025, financial performance will represent 60% of the scorecard with target ranges set in line with the budget. Non-financial measures

will be focused across customer, colleague and simplification measures and represent an aggregate of 40% of the scorecard in line with the expectation of the UK regulators. A downward Risk modifier will also apply, enabling risk performance to be assessed and awards reduced, potentially to zero.

Details of the targets for 2025 are on the next page. Threshold and maximum targets will be disclosed retrospectively at the end of the performance period in the 2025 Directors' remuneration report, alongside the actual level of performance achieved and associated narrative. No award will be made if threshold performance, as determined by the committee, is not achieved. The maximum value of annual bonus awards will be set at 150% of base

salary for executive directors. The level of the award to be paid will normally increase on a straight-line basis between 10% of maximum for threshold performance, 50% of maximum for target performance and 100% of maximum opportunity for each scorecard measure.

All assessments of performance are subject to the committee's judgement to determine the appropriate outcome. Discretion will only be used by the committee when the application of the formulaic performance outcome drives an unrepresentative outcome or when it is necessary to take into account strategic, economic or societal impacts that were not or could not have been accounted for at the point of agreeing the bonus scorecard.

Annual remuneration report continued

Annual bonus performance measures and targets for 2025

Category	Performance measures	Target ⁽²⁾	Weighting
Financial			60%
	Group RoTE. ⁽¹⁾	Target will be set with appropriate reference to our external guidance for RoTE. The targets set and the extent of their achievement will be disclosed in the 2025 NatWest Group plc Annual Report and Accounts as the committee considers them to be commercially sensitive at this point in time.	25%
	Attributable profit.	The targets set and the extent of their achievement will be disclosed in the 2025 NatWest Group plc Annual Report and Accounts as the committee considers them to be commercially sensitive at this point in time.	25%
	Group operating expenses, excluding litigation and conduct costs.	Target to be in line with our external Group operating expenses guidance.	10%
Non-financial			40%
Customer	Group measure using Net Promoter Score (NPS) methodology across the customer franchises, reflecting the contribution of each franchise to Group income. Where NPS is not available for NatWest Markets, an internal Customer Touchpoint Rating (CTR) and independent deal league tables is applied to assess NatWest Markets' customer performance.	On average, to meet or exceed our targets. Targets are set to maintain or improve at specific segment levels and/or strategic growth areas.	20%
Colleague	Progress against purposeful leadership targets.	Purposeful leadership target from Our View = 85.	10%
	Progress against performance culture targets.	Performance culture target from Our View = 83.	
	Increasing diversity in our senior roles.	Aggregated diversity target = 17.9%. We will assess each of the three measures (Female, Ethnicity and Black ⁽³⁾) across two populations, the senior leadership population and the management population. ⁽⁴⁾	
Simplification	% of Retail customers banking entirely Digital.	80%. Retail franchise customers with active current accounts that have accessed a digital platform (online or mobile) and not used a branch or telephony for 90 days in the reporting period. Inactive customers and customers with no channel usage excluded.	10%
	% of Commercial and Institutional (C&I) customers banking Digital first.	85%. C&I franchise (ring-fenced bank) customers with active non-personal account/s that access their account 95% or higher through digital channels for three rolling months in the reporting period.	
	Average deployment frequency for features and digital services.	Seven days. Average time (rolling quarterly) to deploy new features and services to end users where the application is marked "In-service", "Active" and has had four or more changes in the last 12 months.	
Risk (0 – 100%)	Risk performance assessment based on Group, NatWest Holdings, Functional (CFO only) and individual risk performance.	Discretionary downwards modifier.	0-100%

(1) RoTE will be subject to CET1 remaining within our externally guided range of 13-14%, with allowance given for the impact of certain strategic choices where appropriate.

(2) Any targets not disclosed here will be disclosed retrospectively at the end of the performance period in the 2025 Directors' remuneration report, alongside the actual level of performance achieved and associated narrative.

(3) From 2025, we will also include Black mixed ethnicity categories into our Black diversity target calculations.

(4) The senior leadership population is CEO-2+ and our management population is grades C11+.

Annual remuneration report continued

PSP performance assessment under the new Policy for 2025

The maximum value of PSP awards will be set at 300% of earned salary. The committee will determine the award annually within this maximum based on performance against the pre-grant test.

When the PSP awards are granted following the end of the pre-grant performance period, threshold and maximum targets will be disclosed prospectively for each metric in the scorecard. Targets under each element of the scorecard are assessed independently. No vesting will occur under an element if threshold performance, as determined by the committee, is not achieved.

The PSP scorecard will be based on weighted performance measures and appropriately stretching targets across financial and non-financial areas that align with our strategy and regulatory expectations. For awards in respect of performance year 2025, financial performance will represent 60% of the scorecard with a proposal to include relative TSR. Non-financial measures will be focused on sustainability and strategic measures representing an aggregate of 40% of the scorecard.

Sharing in Success

For 2025, we will measure success based on winning with customers, underpinned by financial performance, our approach to risk and delivering value for shareholders. Subject to performance criteria being met, awards will be delivered to all eligible colleagues, including executive directors, in NatWest Group shares. Awards have a maximum value of £1,500 per colleague (adjusted for local salary levels).

Chair and non-executive directors' shareholding policy and annual fees for 2025

From 1 January 2023, the Board introduced a formal shareholding policy for the Chair and non-executive directors. The policy did not apply to directors who were due to step down from the Board within 12 months of 1 January 2023. Under the shareholding policy, NatWest Group retains a portion of the net monthly basic fees (10% for the Chair and 25% for non-executive directors) which is used to purchase shares every quarter. The Chair is required to build towards a shareholding equivalent to four times the basic annual Board fee (currently £352,000) and for non-executive directors the target is one times the basic annual Board fee (currently £88,000). Once the target is achieved, monthly deductions and quarterly purchases will continue at a reduced percentage of net monthly fees (5% for the Chair and 10% for non-executive directors). The shares purchased under the shareholding policy are held in a nominee account with dividends reinvested and shares retained until the director steps down from the Board.

We believe this is a progressive and proportionate approach to shareholder alignment that will provide consistency and ultimately higher levels of shareholdings for this cohort. It will also ensure there is a continuous element of shareholder alignment as the Chair and non-executive directors will continue to acquire shares over their entire tenure.

The annual fees applicable from 1 January 2025 are set out in the tables, with the fees delivered in a combination of cash and shares in line with the shareholding policy above.

Fees for NatWest Group plc Board ⁽¹⁾		Rates from 1 January 2025
Chair (composite fee)		£800,000
Non-executive director basic fee		£88,000
Senior Independent Director		£37,000

Fees for NatWest Group plc Board committees ⁽¹⁾	Member	Chair
Group Board Risk Committee	£36,000	£77,500
Group Audit Committee	£36,000	£77,500
Group Performance and Remuneration Committee	£36,000	£77,500
Group Sustainable Banking Committee	£33,000	£67,500
Group Nominations and Governance Committee	£16,500	–

Other fees for NatWest Group plc Board directors		Rates from 1 January 2025
Chair of NatWest Markets plc (composite fee to cover all boards and committees)		£290,000
Chair of the Colleague Advisory Panel		£15,000

(1) No additional fees are payable where the director is also a member of the boards and respective Board committees of NatWest Holdings Limited, National Westminster Bank Plc and The Royal Bank of Scotland plc. Where appropriate, directors receive additional fees for membership of other subsidiary company boards and committees including NatWest Markets Plc. If applicable, we will disclose the value of fees received in this report each year.

Other external directorships

Any new external appointments to be undertaken by directors require prior Board approval. Steps are in place to make sure that directors comply with regulatory limits on the number of directorships held. The Board also considers whether it is appropriate for executive directors to retain any remuneration from any new external roles, depending on the appointment. Details of current external appointments can be found in the biographies section of the Corporate governance report.



Annual remuneration report continued

Annual change in directors' pay compared to average change in employee pay

Remuneration for employees is based on salary, benefits and annual bonus. Executive directors receive fixed share allowances and, from the 2022 performance year onwards, annual bonus awards. The Chair and non-executive directors receive fees rather than salary and do not receive annual bonus awards. We regularly review membership of Board committees and changes in membership will impact the level of fees paid to non-executive directors from one year to the next. The benefits figures for non-executive directors can also change significantly year on year depending on the amount of travel undertaken in connection with Board meetings. The data for non-executive directors below reflects the value of benefits mainly falling in 2020 and 2021, due to less travel during the COVID-19 restrictions, before returning to more typical levels from 2022.

Annual percentage change	2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Salary	Benefits ⁽¹⁾	Annual Bonus	Salary	Benefits ⁽¹⁾	Annual Bonus	Salary	Benefits ⁽¹⁾	Annual Bonus	Salary	Benefits ⁽¹⁾	Annual Bonus	Salary	Benefits ⁽¹⁾	Annual Bonus
UK employees ⁽²⁾	4.34%	6.87%	30.03%	8.11%	9.65%	7.13%	5.20%	6.34%	42.48%	2.02%	4.68%	35.24%	2.86%	1.70%	-32.40%
Executive directors															
Paul Thwaite ⁽³⁾	41%	0%	98%	–	–	–	–	–	n/a	–	–	n/a	–	–	n/a
Katie Murray	1%	0%	46%	3%	0%	-2%	1.50%	0%	n/a	0%	0%	n/a	0%	0%	n/a
Chair and non-executive directors															
	Fees	Benefits	Annual Bonus	Fees	Benefits	Annual Bonus	Fees	Benefits	Annual Bonus	Fees	Benefits	Annual Bonus	Fees	Benefits	Annual Bonus
Howard Davies ⁽⁴⁾	-71%	-100%	n/a	2%	-57%	n/a	0%	8%	n/a	0%	8%	n/a	0%	9%	n/a
Rick Haythornthwaite ⁽⁵⁾	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a
Frank Dageard	4%	17%	n/a	3%	-33%	n/a	2%	200%	n/a	1%	0%	n/a	0%	-75%	n/a
Roisin Donnelly ⁽⁶⁾	25%	13%	n/a	462%	0%	n/a	–	–	n/a	–	–	n/a	–	–	n/a
Patrick Flynn	-1%	192%	n/a	-6%	-40%	n/a	2%	400%	n/a	0%	-67%	n/a	2%	-70%	n/a
Geeta Gopalan ⁽⁶⁾	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a
Yasmin Jetha ⁽⁶⁾	-3%	-26%	n/a	-8%	25%	n/a	1%	300%	n/a	33%	100%	n/a	–	–	n/a
Stuart Lewis ⁽⁶⁾	55%	27%	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a
Mark Seligman	3%	81%	n/a	3%	0%	n/a	4%	400%	n/a	1%	0%	n/a	-4%	-88%	n/a
Lena Wilson	-11%	108%	n/a	36%	-35%	n/a	5%	240%	n/a	8%	25%	n/a	16%	-64%	n/a

(1) Standard benefit funding for executive directors has remained unchanged. The figures above exclude any other benefits to executive directors such as travel assistance in connection with company business, the value of which is disclosed each year in the single total figure table.

(2) NatWest Group plc is a holding company and is not an employing entity. The disclosure above compares the change in directors' pay with all employees based in the UK. The data is based on the average full time equivalent salary and benefit costs of UK-based employees of NatWest Group, excluding the CEO and the CFO. This is considered to be the most representative comparator group, as it covers the majority of employees and the CEO and CFO are based in the UK. The average percentage change relates to salaries and benefits awarded in the respective financial years for UK employees and therefore may differ from figures quoted elsewhere in the report, for example, the proposed salary increases announced in December 2024 to be awarded from April 2025.

(3) Paul Thwaite was appointed as Group CEO on 25 July 2023, so there are no prior year comparisons. As he was an employee of NatWest Group before becoming Group CEO, the change in his remuneration is based on actual amounts he earned over the whole of 2023, not just in his capacity as Group CEO.

(4) Howard Davies stepped down from the role of Chairman on 15 April 2024.

(5) Rick Haythornthwaite joined the Board of NatWest Group plc as an independent non-executive director on 8 January 2024 and following a handover period took over as Chair on 15 April 2024. Therefore, there are no prior year comparisons.

(6) Geeta Gopalan joined the Board on 1 July 2024, Stuart Lewis joined the Board on 1 April 2023, Roisin Donnelly joined the Board on 1 October 2022 and Yasmin Jetha re-joined the Board on 1 April 2020, so there are no prior year comparisons.

Annual remuneration report continued

CEO to employee pay ratios

The ratios below compare the total pay of the Group CEO, as set out in the single figure of remuneration table in this report, against the pay of three employees whose earnings represent the lower, median and upper quartiles of the UK employee population.

A significant proportion of the Group CEO's total remuneration is delivered through long-term incentive arrangements, linked to performance and share price movements, which means this part of the ratio can fluctuate significantly from one year to the next. None of the three

employees identified this year received equivalent long-term incentive arrangements. Information based on salary only is included as a further comparison.

The pay ratios reflect the diverse range of roles and pay levels across NatWest Group. For the total remuneration comparison, the median employee for 2024 works in C&I and the median pay ratio is consistent with the pay and reward policies for UK employees as a whole. We are pay each individual a fair rate for the role performed, using consistent reward policies. We set out further information on our fair pay approach at natwestgroup.com.

The change in the median pay ratio since 2018 is largely driven by the volatile nature of performance-related pay for the CEO. In April 2020, Alison Rose decided to forgo 25% of her fixed pay for the rest of the year which contributed to the ratio falling in 2020 before rising in 2021. The median pay ratio then increased further in 2022 primarily due to Ms Rose receiving an annual bonus award for the first time under the new Policy and a high vesting value for the LTI award as a result of strong share price performance.

In 2023, the single figure table was the pro-rated amount of Paul Thwaite's annual

bonus award as he took the Group CEO role on part way through the year. Also, as Ms Rose voluntarily declined a LTI award in 2021, in relation to events relating to COVID-19, there was no vesting amount to include. This contributed to the pay ratio falling in 2023 before rising again in 2024 primarily due to higher vesting value for the LTI award as a result of strong share price performance in 2024.

The total remuneration and salary only for employees at the lower, median and upper quartiles has either remained stable or increased year-on-year.

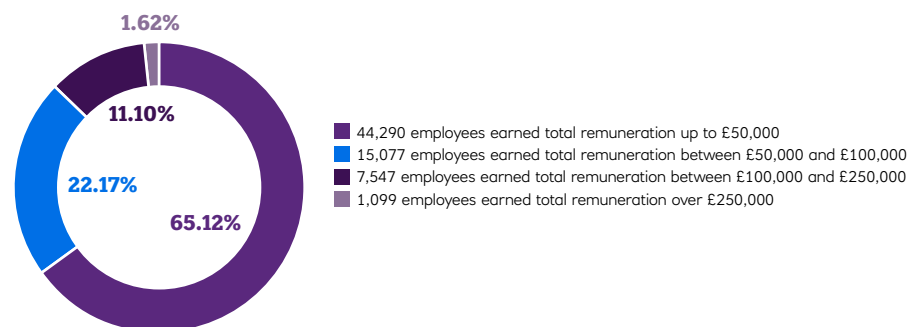
Year	Methodology		P25 (LQ)	P50 (Median)	P75 (UQ)	Calculation	CEO	Y25 (LQ)	Y50 (Median)	Y75 (UQ)
2018	A	Total remuneration	143:1	97:1	56:1	Total remuneration	3,578	25	37	64
		Salary only	44:1	30:1	19:1	Salary only	1,000	23	33	51
2019	A	Total remuneration	175:1	118:1	69:1	Total remuneration	4,517	26	38	66
		Salary only	44:1	30:1	19:1	Salary only	1,017	23	34	52
2020	A	Total remuneration	99:1	66:1	39:1	Total remuneration	2,615	26	40	66
		Salary only	46:1	31:1	20:1	Salary only	1,100	24	36	54
2021	A	Total remuneration	130:1	87:1	51:1	Total remuneration	3,588	28	41	70
		Salary only	44:1	29:1	20:1	Salary only	1,100	25	37	55
2022	A	Total remuneration	177:1	119:1	71:1	Total remuneration	5,249	30	44	74
		Salary only	42:1	28:1	19:1	Salary only	1,117	27	40	58
2023	A	Total remuneration	95:1	64:1	39:1	Total remuneration	3,158	33	50	81
		Salary only	38:1	25:1	17:1	Salary only	1,106	29	44	63
2024	A	Total remuneration	139:1	93:1	56:1	Total remuneration	4,936	36	53	87
		Salary only	37:1	25:1	17:1	Salary only	1,142	31	46	66

Supplementary information on the pay ratio table:

- (1) The data for 2024 is based on remuneration earned by Mr Thwaite, as set out in the single total figure of remuneration table in the remuneration report.
- (2) The employees at the 25th, 50th and 75th percentiles (lower, median and upper quartiles) were determined as at 31 December of the relevant year, based on full-time equivalent remuneration for all UK employees. This includes fixed pay (salary, pension funding and where relevant benefit funding and other allowances) and also any variable pay (based on the amount to be paid). For employees who work part time, fixed pay is grossed up to the full-time equivalent.
- (3) 'Option A' methodology was selected as this is considered the most statistically accurate method. UK employees receive a pension funding allowance set as a percentage of salary. Some employees continue to participate in the defined benefit pension scheme. For simplicity and consistency with prior years, we have included the pension funding allowance value in the calculation for all employees.
- (4) The data for the three employees identified has been considered and fairly reflects pay at the relevant quartiles among the UK employee population. Each of the three individuals was a full-time employee during the year and none received an exceptional award that would otherwise inflate their pay figure.

Annual remuneration report continued

Summary of remuneration levels for employees in 2024



The disclosure of remuneration levels for employees includes anyone employed by NatWest Group during the year.

Remuneration of Material Risk Takers (MRTs) in 2024

Each year, we disclose the remuneration paid to individuals whose activities have a material influence over NatWest Group's performance or risk profile, known as MRTs. The disclosures are made in line with regulatory requirements and full details can be found in our Pillar 3 reports at natwestgroup.com. The tables below summarise the total pay for colleagues identified as MRTs for one or more entities across NatWest Group along with the number of individuals earning more than €1 million for the year. Note that the number of MRTs excludes colleagues who left NatWest Group prior to 31 December 2024 in line with regulatory requirements.

		Number of >€1m earners ⁽¹⁾	
Number of MRTs	640	€1.0 million to below €1.5 million	50
Remuneration (£millions)		€1.5 million to below €2.0 million	17
Total fixed pay	£193.6	€2.0 million to below €2.5 million	3
Total variable pay	£123.5	€2.5 million to below €3.0 million	9
Total remuneration	£317.1	€3.0 million to below €3.5 million	1
		€3.5 million to below €4.0 million	–
		€4.0 million to below €4.5 million	1
		Total	81

(1) This information is disclosed in Euros in line with the requirements of the regulations.



Annual remuneration report continued

Directors' interests in NatWest Group plc shares (audited)

Under the shareholding requirements, the Group CEO and Group CFO need to build up and maintain shares to the value of 500% of salary and 300% of salary, respectively. The requirements apply both during employment and for two years after leaving, in line with best practice. Procedures are in place including the submission of pre-approval requests prior to the execution of any trades, or the application of trade restrictions for leavers, to ensure the shareholding requirement is enforced. Further details of our shareholding requirements as part of our Policy can be found on page 137.

	Paul Thwaite	Katie Murray
Shares held – beneficially owned ⁽¹⁾	871,191	544,078
Shares held – performance assessed unvested shares ⁽²⁾	118,001	422,577
Total shares held counting towards requirements ⁽³⁾	989,192	966,655
Shareholding requirement	500% of salary	300% of salary
Position against requirement ⁽⁴⁾	344% of salary	493% of salary

(1) Shares owned beneficially as at 31 December 2024. Includes shares held by persons closely associated with the directors.

(2) Share awards are also included for the purposes of the shareholding requirement once any performance assessment has been completed. All share awards are included net of taxes due to be paid on vesting.

(3) As at 14 February 2025, there were no changes to the shares held as shown above for Paul Thwaite and Katie Murray.

(4) The position against the requirement was calculated as at 31 December 2024 based on the closing price of £4.0210 on 31 December 2024.

Share interests held by Chair and non-executive directors

As set out on page 155, the Chair and non-executive directors are subject to a separate shareholding policy. Under the shareholding policy, NatWest Group retains a portion of the net monthly basic fees (10% for the Chair and 25% for non-executive directors) which is used to purchase shares every quarter. The shareholding requirement for the Chair is four times the basic annual Board fee and for non-executive directors the target is one times the basic annual Board fee. Once the target is achieved, monthly deductions and quarterly purchases will continue at a reduced

percentage of net monthly fees (5% for the Chair and 10% for non-executive directors). The shares purchased under the shareholding policy are held in a nominee account with dividends reinvested and shares retained until the director steps down from the Board. The shareholding requirement is expressed as a number of shares, which is calculated at the beginning of each year. The progress being made towards the shareholding requirement is in line with expectations. A number of the directors held shares prior to the policy's introduction which has accelerated their progress.

	Howard Davies ⁽²⁾	Rick Haythornthwaite ⁽⁶⁾	Frank Dangeard	Roisin Donnelly	Patrick Flynn	Geeta Gopalan ⁽⁴⁾	Yasmin Jetha	Stuart Lewis	Mark Seligman ⁽⁵⁾	Lena Wilson
Shares held ^{(1),(7)}	123,342	9,422	13,180	15,788	27,202	1,362	35,914	7,924	61,177	35,428
Shareholding requirement ⁽³⁾	4x basic annual Board fee	4x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee	1x basic annual Board fee
Position against requirement	79% of target	6% of target	34% of target	40% of target	70% of target	3% of target	92% of target	20% of target	157% of target	91% of target

(1) Shares owned beneficially as at 31 December 2024 or at the date of stepping down from the Board if earlier. Includes shares held by persons closely associated. As at 14 February 2025, there were no changes to the shares held as shown above.

(2) Howard Davies stepped down from the Board on 15 April 2024.

(3) Shareholding requirement for 2024 equates to 154,986 for Rick Haythornthwaite and Howard Davies and 38,742 for other non-executive directors. These amounts are not pro-rated and were calculated by multiplying the Board fee at the start of 2024 (£85,000) by 4 or 1, as applicable, and dividing by £2.1940 which was the share price on 29 December 2023.

(4) Geeta Gopalan was appointed to the Board with effect from 1 July 2024.

(5) 36,585 shares are held in the name of M Seligman & Co Limited, of which Mark Seligman and Louise Seligman are shareholders.

(6) Given Rick Haythornthwaite was appointed as Chair with effect from 15 April 2024, one-third of his 2024 purchases were at the non-executive director rate of 25% of the basic non-executive director fee and two-thirds at the Chair rate of 10% of the Chair fee. While the Chair's position relative to the shareholding requirement will be dependent on share price fluctuations, Rick Haythornthwaite's position against target is expected to accelerate through 2025 as more shares are purchased with reference to the higher Chair deduction percentage.

(7) For Rick Haythornthwaite and the non-executive directors, a final share purchase under the shareholding policy for 2024 was made on 2 January 2025 and this has been included in the table above as it related to deductions from 2024 fees.



Annual remuneration report continued

Share awards under share plans

	Year	Awards held 1 Jan 2024	Awards granted	Award price £ ⁽⁴⁾	Full market value at grant £	Awards vested	Awards lapsed	Awards held 31-Dec-24	Expected vesting dates
Paul Thwaite									
Deferred award ⁽³⁾	2019	19,434		2.64		19,434		–	
Deferred award ⁽³⁾	2020	60,250		1.70		30,127		30,123 ⁽¹⁾	07.03.25
LTI award	2021	240,655		1.67	1.87	48,131		192,524 ⁽¹⁾	07.03.25 – 07.03.28
LTI award	2022	410,492		1.82	2.23			410,492 ⁽²⁾	07.03.25 – 07.03.29
RSP award	2023	425,074		2.21	2.92			425,074 ⁽²⁾	07.03.26 – 07.03.30
RSP award	2024		677,576	1.79	2.44			677,576 ⁽²⁾	07.03.27 – 07.03.31
Annual bonus/Deferred award ⁽³⁾	2024		98,878	2.33	2.44	98,878		–	
Sharing in Success award ⁽⁵⁾	2024		330	3.04		330		–	
		1,155,905	776,784			196,900		1,735,789	
Total LTI and RSP awards subject to service								222,647 ⁽¹⁾	
Total LTI and RSP awards subject to performance and service								1,513,142 ⁽²⁾	

	Year	Awards held 1 Jan 2024	Awards granted	Award price £ ⁽⁴⁾	Full market value at grant £	Awards vested	Awards lapsed	Awards held 31-Dec-24	Expected vesting dates
Katie Murray									
Deferred award ⁽³⁾	2019	125,365		2.64		41,790		83,575 ⁽¹⁾	07.03.25 – 07.03.26
LTI award	2020	517,252		1.70		129,313		387,939 ⁽¹⁾	07.03.25 – 07.03.27
LTI award	2021	407,262		1.67	1.87	81,453		325,809 ⁽¹⁾	07.03.25 – 07.03.28
LTI award	2022	580,885		1.82	2.23			580,885 ⁽²⁾	07.03.25 – 07.03.29
RSP award	2023	431,451		2.21	2.92			431,451 ⁽²⁾	07.03.26 – 07.03.30
RSP award	2024		653,915	1.79	2.44			653,915 ⁽²⁾	07.03.27 – 07.03.31
Annual bonus/Deferred award ⁽³⁾	2024		87,744	2.33	2.44	87,744		–	
Sharing in Success award ⁽⁵⁾	2024		330	3.04		330		–	
		2,062,215	741,989			340,630		2,463,574	
Total LTI and RSP awards subject to service								797,323 ⁽¹⁾	
Total LTI and RSP awards subject to performance and service								1,666,251 ⁽²⁾	

(1) Performance assessment has taken place and awards remain subject to deferral and employment conditions before vesting. These awards count on a net-of-tax basis towards meeting the shareholding requirement.

(2) Awards are subject to the pre-vest performance assessment along with deferral and employment conditions before vesting. See earlier in this report for the pre-vest assessment of the 2022 LTI award. The first vesting of this award is due to take place in March 2025, which will be reflected in next year's table together with any shares lapsed for performance.

(3) For annual bonus, shares were granted as an element of the up-front bonus; these were awarded and vested in 2024, in line with the Policy. For Mr Thwaite deferred awards for 2019 and 2020 relate to annual bonus awards granted for performance prior to becoming an executive director, with payments deferred in line with regulatory requirements. Similarly, for Ms Murray the deferred award from 2019 relates to annual bonus awards granted for performance prior to becoming an executive director.

(4) The award price shown from 2021 onwards is discounted to reflect the absence of the right to receive dividends or dividend equivalents during the vesting period, in line with the Policy. For reference, the full market price of NatWest Group shares at the time of grant is also shown.

(5) The Sharing in Success award was delivered in shares in May 2024 to all colleagues including executive directors. Awards of £1,000 were made in respect of 2023 performance (adjusted for local salary levels).

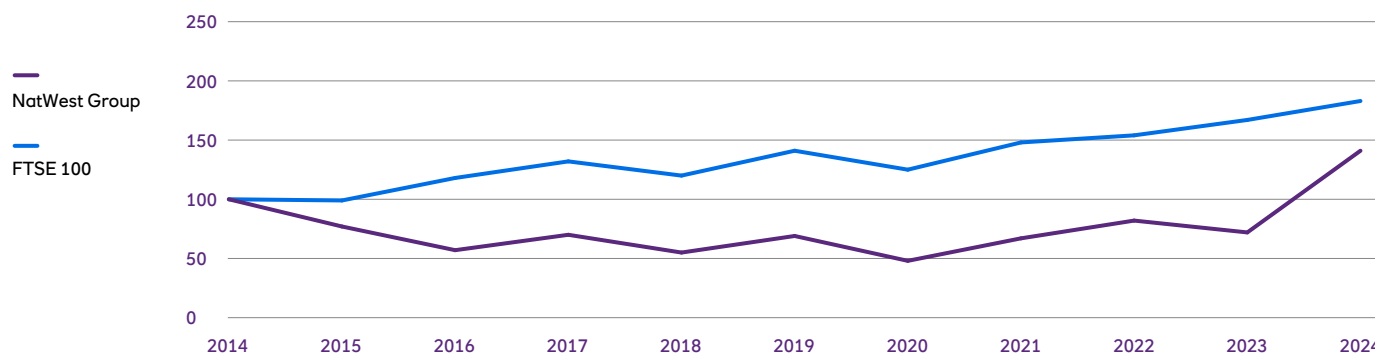
Annual remuneration report continued

Shareholder dilution and share sourcing

NatWest Group can use new issue, market-purchase or treasury shares to deliver shares that are required for employee share plans. Best practice dilution limits are monitored and govern the number of shares that may be issued to satisfy share plan awards.

Total Shareholder Return (TSR) performance

The graph compares the TSR performance of NatWest Group with companies comprising the FTSE 100 Index over the last 10 years. We have selected this index because NatWest Group is a member of the FTSE 100 and it represents a cross-section of leading UK companies.



CEO pay over the same period

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total remuneration (£000s) ⁽¹⁾	PT									1,706	4,936
	AR					1,401	2,615	3,588	5,249	1,452	
	RM	3,492	3,702	3,487	3,578	4,066					
Annual bonus against maximum opportunity	PT									54%	78%
	AR								68%	–	–
LTI vesting rates against maximum opportunity	PT									45%	71%
	AR					60%	82%	83%	78%	–	–
	RM	62%	56%	89%	41%	78%				–	

(1) CEOs are Paul Thwaite (PT), Alison Rose (AR) and Ross McEwan (RM) with figures based on the single figure of remuneration for the relevant year.

Statement of shareholder voting

The resolutions to approve the Policy at the 2022 NatWest Group plc AGM and the Annual remuneration report from the 2024 NatWest Group plc AGM received strong levels of support, as set out below.

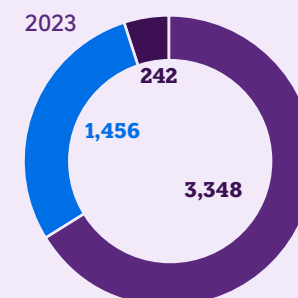
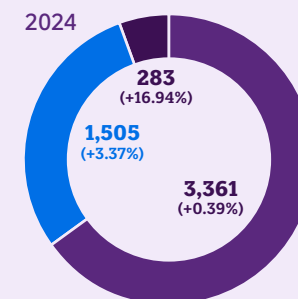
Directors' remuneration policy

For	33,883,943,928	92.75%
Against	2,649,384,392	7.25%
Withheld	126,953,196	–

Annual remuneration report

For	28,625,951,928	97.83%
Against	635,893,952	2.17%
Withheld	5,220,112	–

Relative importance of spend on pay £m (% change on 2023)



■ Remuneration paid to all employees⁽¹⁾
■ Distributions to holders of ordinary shares⁽²⁾
■ Distributions to holders of paid-in equity

- (1) Remuneration paid to all employees represents total staff expenses as per Note 3 to the consolidated financial statements, exclusive of social security and other staff costs.
- (2) Reflects distributions to shareholders through dividend payments during the financial year. The Board has confirmed its intention to pay a dividend of 15.5p per ordinary share in respect of financial year 2024, which will be paid in 2025 subject to approval by shareholders at the forthcoming NatWest Group plc AGM.

Annual remuneration report continued

The Group Performance and Remuneration Committee overview

Principal areas of focus of 2024

	Jan	Feb	April	Sept	Dec
Wider workforce					
Approving and overseeing the NatWest Group-wide remuneration policy.			●		
Considering how pay has been allocated across the workforce, including analysis by colleague level, geography and diversity.			●		
Reviewing fixed pay proposals.					●
Approving Sharesave offers to colleagues.				●	
Reviewing performance over the year and approving bonus pools for the business areas.					●
Reviewing gender and ethnicity pay gap reporting.					●
Approving the Sharing in Success outcome and measures and targets.	●				
Executive remuneration					
Reviewing performance assessments and remuneration arrangements for the committee's 'in-scope' population.	●	●		●	●
Setting performance objectives for senior executives.	●	●	●	●	
Approving the outcomes of variable pay awards.	●				●
Approving remuneration for senior hires and arrangements for any leavers.	●	●		●	●
Engaging with stakeholders on our remuneration proposals.	●			●	●
Reviewing and approving the Directors' remuneration report.	●				●
Receiving benchmarking data on executive pay and peer practice.			●		●
Reviewing and approving the directors' remuneration policy.		●	●	●	●
Governance and regulatory					
Approving agenda planners and ensuring the committee is meeting all its obligations under its terms of reference (ToR).			●	●	
Considering matters escalated by other Board committees and subsidiary Performance and Remuneration Committees.	●	●	●	●	●
Overseeing the MRT identification process.			●	●	
Receiving accountability review updates and approving accountability decisions for the population within its governance.			●	●	

The committee also approves submissions made throughout the year to the UK regulators outside the formal meetings, as required.

Membership	Details of members and attendance is on page 126.
Effectiveness review	In accordance with the Code, an evaluation of the performance of the Board and its committees, including Group RemCo, was conducted by an external facilitator in 2024. Further information on the review can be found on pages 103 to 105.
Role of the committee	To mitigate potential conflicts of interest, no individuals are involved in decisions regarding their own remuneration. The Group Chief Operating Officer, who is responsible for the People function and executive compensation, may be present to support the committee when discussions take place on senior executive pay, but she is never present for discussions on her own remuneration. It is the committee, rather than management, that appoints the remuneration advisers.
Committee advisers	<p>Korn Ferry (KF) were appointed by the committee as remuneration adviser to the committee in March 2024 following a period of transition from our previous adviser PricewaterhouseCoopers LLP (PwC). Details of PwC's appointment can be found in the 2023 Directors' remuneration report. KF provide executive/professional search services alongside HR advisory services including assessment services and organisational strategy services to NatWest Group subsidiaries. PwC provide professional services including assurance, advisory, tax and legal advice to NatWest Group subsidiaries. PwC and KF are signatories to the voluntary code of conduct in relation to remuneration consulting in the UK. The committee is satisfied the advice received is independent and objective. There are no connections between PwC, KF and individual directors to be disclosed. Fees paid to PwC and KF for advising the committee are based primarily on a fixed fee structure with any additional items charged on a time/cost basis. Fees for 2024 in relation to directors' remuneration for PwC amounted to £107,562 for January and February 2024, before they ceased to formally advise the committee (2023 – £211,506), and £290,000 for KF (2023 – £19,000) excluding VAT.</p> <p>The committee also took account of the views of the Group Chair, the Group CEO, the Group CFO, the Group Chief Operating Officer, the Director of Reward & Employment, the Group Chief Risk Officer, the Group Chief Audit Executive and other support and control functions. The committee also received input from the BRC, the GAC and the Performance and Remuneration Committees for the principal legal entities across NatWest Group. In addition, the committee received external legal advice from Clifford Chance on a small number of matters in 2024.</p>

Compliance report

Statement of compliance

NatWest Group plc is committed to high standards of corporate governance, business integrity and professionalism in all its activities.

Throughout the year ended 31 December 2024, NatWest Group plc applied the Principles and complied with the Provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018 (the Code), with two exceptions for the period from 1 January to 30 April 2024. These related to:

- Provision 17, that the Group Nominations and Governance Committee (N&G) should ensure plans are in place for orderly succession to both the Board and senior management positions and oversee the development of a diverse pipeline for succession; and
- Provision 33, that the Group Performance and Remuneration Committee (RemCo) should have delegated responsibility for setting remuneration for the Chair and executive directors.

The responsibilities set out in Provisions 17 and 33 were reserved for the Board until 30 April 2024.

Effective from 1 May 2024, the Board approved certain delegations to its committees in order to simplify our governance framework, aligning with best practice and the requirements of the Code.

Further information on how NatWest Group plc applied the Principles, and complied with the Provisions of the Code can be found in the Corporate governance section of this report, which includes

cross-references to relevant sections of the Strategic report and other related disclosures. A copy of the Code can be found at [frc.org.uk](https://www.frc.org.uk).

NatWest Group plc has complied in all material respects with the Financial Reporting Council Guidance on Audit Committees issued in April 2016.

The Group Audit Committee also complied with the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard and the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the year ended 31 December 2024.

Under the US Sarbanes-Oxley Act of 2002, specific standards of corporate governance and business and financial disclosures and controls apply to companies with securities registered in the US. NatWest Group plc complies with all applicable sections of the US Sarbanes-Oxley Act of 2002, subject to a number of exceptions available to foreign private issuers.

Internal control

The Board of directors is accountable for the system of internal controls that is designed to maintain effective and efficient operations, compliant with applicable laws and regulations.

The system of internal controls is designed to manage risk to an acceptable residual level rather than to eliminate it entirely. Systems of internal control can only provide reasonable and not absolute assurance against material misstatement, fraud, or any other loss.

Ongoing processes are in place for the identification, evaluation and management of the principal risks faced by NatWest Group operated throughout the period from 1 January 2024 to 13 February 2025, the date the directors approved the Annual Report and Accounts. These included the bi-annual Control Environment Certification process, which requires senior members of the executive and management to assess the adequacy and effectiveness of their internal control frameworks which supports certification that their business or function is compliant with regulatory requirements and with the requirements of the UK Corporate Governance Code section on Risk Management and Internal Controls. The policies that govern these processes – and reports on internal controls arising from them – are reviewed by the Board and meet the requirements of the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

NatWest Group operates a three lines of defence model for the ownership, oversight and assurance of its risks and internal control environment. Management across the organisation are the first line of defence and, therefore, are the primary owners of the risk and are responsible for the design, implementation and maintenance of effective processes, procedures, and controls to manage the risks within risk appetite. The Risk function is the second line of defence which exercises oversight and challenge of the risk management activities undertaken by the first line of defence. The Internal Audit function, which is the third line of defence, undertakes independent and objective assurance

activities on the governance, risk management and internal controls to manage risks to enable achievement of NatWest Group's objectives and reports on the adequacy and effectiveness thereof to the Board and executive management.

The effectiveness of NatWest Group's internal controls is reviewed regularly throughout the year by the Board, the Group Audit Committee, and the Group Board Risk Committee. In addition, the Board receives a risk management report at each Board meeting. Executive management committees at NatWest Group level and each of its businesses also receive regular reports on risks facing their business and the management thereof through internal controls. Details of NatWest Group's approach to risk management are provided in the Risk and capital management section of the Annual Report and Accounts.

Progress in 2024

NatWest Group's control environment remains robust, with notable enhancements delivered across financial crime, payments, technology, risk management framework and processes and remediation of known control issues. These enhancements have resulted in an improved control environment in 2024.

Throughout 2024, work was undertaken to deliver enhancements to the control environment for the mitigation of financial crime risk. NatWest Group continues to make significant investment to support delivery of the multi-year transformation plans across financial crime risk management.

Compliance report continued

NatWest Group recognises the value in continuing its investment in payments systems in line with agreed prioritisation criteria. As such, focus remains on enhancing payment-related controls.

In addition, NatWest Group's key operational risk focus areas have been cyber risk, data quality, third-party risk management, operational resilience and end-of-life systems given increasing inherent risk impact of these themes on the overall operational risk profile.

These focus areas have resulted in significant progress being made in bringing the associated risks within appetite and in actions being taken to enhance maturity in the management thereof.

NatWest Group, as part of its robust risk culture, continued to make enhancements to its risk management processes to maintain an effective control environment. This has included the embedding of enhanced risk and control self-assessments with focus on material non-financial risks across end-to-end processes as part of its enterprise-wide risk management framework. This has been supported by an industry aligned risk directory and the development of a focused suite of risk standards, operational guidance and risk toolkits, which provide a consistent approach to risk management and control requirements for each non-financial risk. The outcomes of the risk and control self-assessments provide insight into the adequacy and effectiveness of the control environment and the impact thereof on the residual risk exposures. They further support the initiation of actions to address control gaps and identify control rationalisation and automation opportunities. The outcomes of the risk and control self-assessments are used as input into risk profile reporting

to the Board and senior management and assists in prioritisation of risk mitigation activities considering risk appetite. Key controls are regularly assessed for adequacy and tested for effectiveness. The results are monitored and, where a material change is identified, the associated risk is reassessed.

To support management of the operational risk profile, the Operational Risk Executive Steering Group meets regularly and this forum ensures all material operational risks are monitored and actions are in place to manage the risks within risk appetite.

The remediation of known control issues through defined action plans continued to be an important focus for both the Group Audit Committee and the Board Risk Committee during 2024. For further information on their oversight of remediation of the most material issues, refer to the Report of the Group Audit Committee and the Report of the Group Board Risk Committee. The Group Audit Committee and the Group Board Risk Committee will continue to focus on such remediation activity, particularly in view of the transformation agenda and risk appetite.

The independent auditors present reports to the Group Audit Committee that include details of any significant internal control deficiencies they have identified as part of their review of the financial reporting. In addition, quarterly review meetings are held between the senior executive and the independent auditors to help support oversight. Further, the system of internal controls is also subject to regulatory oversight in the UK and overseas. Additional details of regulatory oversight are given in the Risk and capital management section.

Internal control over financial reporting

NatWest Group plc is required to comply with Section 404 of the US Sarbanes-Oxley Act of 2002 and assess the effectiveness of internal control over financial reporting as of 31 December 2024.

NatWest Group has assessed the effectiveness of its internal control over financial reporting as of 31 December 2024 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 publication of 'Internal Control – Integrated Framework'.

Based on its assessment, management has concluded that, as of 31 December 2024, NatWest Group's internal control over financial reporting is effective.

Management's report on NatWest Group's internal control over financial reporting will be filed with the Securities and Exchange Commission as part of the 2024 Annual Report on Form 20-F.

Disclosure controls and procedures

As required by Exchange Act rules, management (including the Group CEO and Group CFO) have conducted an evaluation of the effectiveness and design of NatWest Group's disclosure controls and procedures (as defined in the Exchange Act rules) as of 31 December 2024. Based on this evaluation, management (including the Group CEO and Group CFO) concluded that NatWest Group plc's disclosure controls and procedures were effective as of the end of the period covered by this Annual Report and Accounts.

Changes in internal control

There was no change in NatWest Group's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, NatWest Group's internal control over financial reporting.

The New York Stock Exchange

As a foreign private issuer with American Depositary Shares representing ordinary shares, preference shares and debt securities listed on the New York Stock Exchange (the NYSE), NatWest Group plc is not required to comply with all of the NYSE corporate governance standards applicable to US domestic companies (the NYSE Standards) provided that it follows home country practice in lieu of the NYSE Standards and discloses any significant ways in which its corporate governance practices differ from the NYSE Standards.



Compliance report continued

NatWest Group plc is also required to provide an Annual Written Affirmation to the NYSE of its compliance with the mandatory applicable NYSE Standards. In March 2024 NatWest Group plc submitted its most recent Annual Written Affirmation to the NYSE which confirmed NatWest Group plc's full compliance with the applicable provisions.

The Group Audit Committee fully complies with the mandatory provisions of the NYSE Standards (including by reference to the rules of the Exchange Act) that relate to the composition, responsibilities and operation of audit committees. More detailed information about the Group Audit Committee and its work during 2024 is set out in the Group Audit Committee report on pages 109 to 114.

The Board has reviewed its corporate governance arrangements and is satisfied that these are consistent with the NYSE Standards, subject to the following departures:

i. NYSE Standards require the majority of the Board to be independent. The NYSE Standards contain different tests from the Code for determining whether a director is independent. NatWest Group plc follows the Code's requirements in determining the independence of its directors and currently has eight independent non-executive directors, one of whom is the Senior Independent Director.

ii. The NYSE Standards require non-management directors to hold regular sessions without management present, and that independent directors meet at least once a year. The Code requires the Chair to hold meetings with non-executive directors without the executives present and non-executive directors are to meet without the Chair present at least once a year to appraise the Chair's performance and NatWest Group plc complies with the requirements of the Code.

iii. The NYSE Standards require that the nominating/corporate governance committee of a listed company be composed entirely of independent directors. The Chair of the Board is also the Chair of the Group Nominations and Governance Committee, which is permitted under the Code (which requires that a majority of members of the committee should be independent non-executive directors). The terms of reference of the Group Nominations and Governance Committee differ in certain limited respects from the requirements set out in the NYSE Standards, including because the Group Nominations and Governance Committee does not have responsibility for overseeing the evaluation of management.

iv. The NYSE standards require that the compensation committee of a listed company be composed entirely of independent directors. Although the members of the Group Performance and Remuneration Committee (Group RemCo) are deemed independent in compliance with the provisions of the Code, the Board has not assessed the independence of the members of the Group RemCo and Group RemCo has not assessed the independence of any compensation consultant, legal counsel or other adviser, in each case, in accordance with the independence tests prescribed by the NYSE Standards. The NYSE Standards require that the compensation committee must have direct responsibility to review and approve the CEO's remuneration. As stated at the start of this Compliance report, in the case of NatWest Group plc, the Board rather than the Group RemCo reserves the authority to make the final determination of the remuneration of the CEO.

v. The NYSE Standards require listed companies to adopt and disclose corporate governance guidelines. Throughout the year ended 31 December 2024, NatWest Group plc has complied with all of the provisions of the Code (subject to the exceptions described above) and the Code does not require NatWest Group plc to disclose the full range of corporate governance guidelines with which it complies.

vi. The NYSE Standards require listed companies to adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. NatWest Group has adopted a code of conduct which is supplemented by a number of key policies and guidance dealing with matters including, among others, anti-bribery and corruption, anti-money laundering, sanctions, confidentiality, inside information, health, safety and environment, conflicts of interest, market conduct and management records. This code of conduct applies to all officers and employees and is fully aligned to the PRA and FCA Conduct Rules which apply to all directors. The Code of Conduct is available to view on NatWest Group's website at natwestgroup.com.

This Compliance report forms part of the Corporate governance report and the Report of the directors.

Report of the directors

The directors present their report together with the audited accounts for the year ended 31 December 2024.

Other information incorporated into this report by reference can be found at:

Page/Note	
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Disclosures required pursuant to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) ('2008 Regs') are located on the following pages:

Page 55 Climate-related financial disclosures (Schedule 7, Paragraphs 15-19)

Page 378 Post balance sheet events (Schedule 7, Paragraph 7 (1) (a))

Page 328 Financial instruments (Schedule 7, Paragraph 6)

Page 346 Hedge accounting policy (Schedule 7, Paragraph 6)

Employee engagement (Schedule 7, Paragraphs 11 and 11A, 2008 Regs):

- Pages 32 to 37 (section 172(1) statement and stakeholder engagement)
- Page 35 (Colleagues)
- Page 101 (Corporate governance report, workforce engagement)

Engagement with suppliers, customers and others (Schedule 7, Paragraph 11B, 2008 Regs):

- Pages 32 to 37 (section 172(1) statement and stakeholder engagement)
- Pages 99 to 101 (Corporate governance report, stakeholder engagement)

Group structure

NatWest Group plc is the parent of NatWest Group and its subsidiary undertakings are structured in compliance with ring-fencing requirements. There are three main subsidiaries

- NatWest Holdings Limited (the parent of the ring-fenced group which includes National Westminster Bank Plc, The Royal Bank of Scotland plc and Ulster Bank Ireland DAC)
- NatWest Markets Plc (the investment bank and the parent of NatWest Markets N.V.) and
- The Royal Bank of Scotland International (Holdings) Limited (the parent of The Royal Bank of Scotland International Limited).

Further details of the principal subsidiaries are shown in Note 8 to the parent company financial statements and a full list of subsidiary companies and overseas branches is shown in Note 12 to the parent company financial statements.

HM Treasury (HMT) shareholding

Following placing and open offers in December 2008 and in April 2009, HMT owned approximately 70.3% of the enlarged ordinary share capital of the company. In December 2009, the company issued a further £25.5 billion of new capital to HMT in the form of B shares. The table below summarises the changes in HMT's shareholding in the company since 2009:

Date	Transaction
August 2015	HMT sold 630 million ordinary shares in the company
October 2015	HMT converted its holding of 51 billion B shares into 5.1 billion new ordinary shares in the company
June 2018	HMT sold 925 million ordinary shares in the company
March 2021	NatWest Group carried out an off-market purchase of 591 million of its ordinary shares from HMT
May 2021	HMT sold 580 million ordinary shares in the company through an accelerated book building process to institutional investors
July 2021	HMT announced its intention to sell part of its shareholding in NatWest Group over a 12-month period via a trading plan
March 2022	NatWest Group carried out an off-market purchase of 550 million of its ordinary shares from HMT
June 2022	HMT announced an extension to its trading plan for a further 12-month term to August 2023
April 2023	HMT announced an extension to its trading plan to terminate no later than 11 August 2025
May 2023	NatWest Group carried out an off-market purchase of 469 million of its ordinary shares from HMT
May 2024	NatWest Group carried out an off-market purchase of 392 million of its ordinary shares from HMT
November 2024	NatWest Group carried out an off-market purchase of 263 million of its ordinary shares from HMT

On 25 March 2024, an announcement was released to the market advising that HMT's holding in the total voting rights (TVR) of the company had reduced to 29.82% with effect from 22 March 2024 and HMT ceased to be a Controlling Shareholder under the UK Listing Rules.

At 31 December 2024, HMT's holding in the total voting rights of the company was 9.99%. The percentage was correct as at the date of notification on 12 December 2024.



Report of the directors continued

Activities

NatWest Group is mainly engaged in providing a wide range of banking and other financial services. Details of the organisational structure and a business overview of NatWest Group are contained in the Business review. This includes details of the products and services provided by each of our operating areas and the markets where they operate. Details of the strategy for delivering the company's objectives can be found in the Strategic report

Results and dividends

UK company law states that dividends can only be paid if a company has sufficient distributable profits available to cover the dividend. A company's distributable profits are classed as its accumulated, realised profits (not previously distributed or capitalised), less its accumulated, realised losses (not previously written off in a reduction or re-organisation of capital). At 31 December 2024, NatWest Group plc's distributable profits were £32,201 million.

The profit attributable to the ordinary shareholders of NatWest Group plc for the year ended 31 December 2024 was £4,519 million compared with a profit of £4,394 million for the year ended 31 December 2023, as set out in the consolidated income statement on page 293.

In 2024 NatWest Group paid an interim dividend of £498 million, or 6 pence per ordinary share (2023 – £491 million, or 5.5 pence per ordinary share).

The company has announced that the directors have recommended a final dividend of 1.2 billion, or 15.5 pence per ordinary share (2023 – £1.0 billion, or 11.5 pence per ordinary share). The final dividend recommended by directors is subject to shareholders' approval at the Annual General Meeting (AGM) on 23 April 2025.

If approved, payment will be made on 28 April 2025 to shareholders on the register at the close of business on 14 March 2025. The ex-dividend date will be 13 March 2025.

Subject to the condition mentioned above, the payment of interim dividends on ordinary shares is at the discretion of the Board.

Dividend waivers

The employee share trusts, which hold shares NatWest Group in respect of the awards and options granted to employees, have lodged standing instructions to waive dividends on shares held by them. A waiver instruction is also in place in respect of dividends on own shares held in treasury. The total amount of dividends waived during 2024 was £37 million.

Colleagues

As at 31 December 2024, NatWest Group employed 60,700 people (excluding temporary staff). Details of all related costs are included in Note 3 to the consolidated accounts.

Employment for colleagues with disabilities and long-term conditions

NatWest Group makes workplace adjustments to support colleagues with disabilities and long-term conditions to succeed. If a colleague develops a disability or long-term condition, NatWest Group will, wherever possible, make adjustments to support them in their existing job or re-deploy them to a more suitable alternative job.

The NatWest Group Careers site gives comprehensive insights into NatWest Group jobs, culture, locations and application processes. It also hosts a variety of blog content to portray stories

of what it is like to work at NatWest Group. The company also makes sure that candidates can easily request reasonable adjustments to support at any stage of the recruitment process.

Going concern

NatWest Group's business activities and financial position, the factors likely to affect its future development and performance and its objectives and policies in managing the financial risks to which it is exposed and its capital are discussed in the Business review. The risk factors which could materially affect NatWest Group's future results are set out on pages 408 to 426. NatWest Group's regulatory capital resources and significant developments in 2024 and anticipated future developments are detailed in the Capital, liquidity and funding section on pages 234 to 253. This section also describes NatWest Group's funding and liquidity profile, including changes in key metrics and the build up of liquidity reserves.

The directors have prepared the financial statements on a going concern basis after assessing the principal risks, forecasts, projections and other relevant evidence over the twelve months from the date the financial statements are approved.

UK Code for Financial Reporting Disclosure

NatWest Group plc's 2024 financial statements have been prepared in compliance with the principles set out in the Code for Financial Reporting Disclosure published by UK Finance. The Code sets out five disclosure principles together with supporting guidance. The principles are that NatWest Group and other major UK banks will provide high quality, meaningful and decision-useful disclosures; review and enhance their financial instrument disclosures for key areas of interest to

market participants; assess the applicability and relevance of good practice recommendations to their disclosures, acknowledging the importance of such guidance; seek to enhance the comparability of financial statement disclosures across the UK banking sector; and clearly differentiate in their annual reports between information that is audited and information that is unaudited.

Enhanced Disclosure Task Force (EDTF) and Disclosures on Expected Credit Losses (DECL) Taskforce recommendations

The EDTF, established by the Financial Stability Board, published its report 'Enhancing the Risk Disclosures of Banks' in October 2012, with an update in November 2015 covering IFRS 9 expected credit losses (ECL). The DECL Taskforce, jointly established by the Financial Conduct Authority, Financial Reporting Council and the Prudential Regulation Authority, published its phase 2 report recommendations in December 2019.

NatWest Group plc's 2024 Annual Report and Accounts and Pillar 3 Report reflect EDTF and have regard to DECL Taskforce recommendations.

Authority to repurchase shares

On-market purchases

At the AGM in 2023, shareholders renewed the authority for the company to make market purchases of up to 966,778,930 ordinary shares. The directors used the authority obtained at the 2023 AGM (2023 Authority) to carry out share buyback programmes of up to £500 million (2023 Programme) and £300 million (2024 Programme).



Report of the directors continued

The maximum number of ordinary shares that could be purchased under the 2023 Programme was 919,858,922 (reflecting the impact on the 2023 Authority of the reduction in issued share capital following the off-market buyback announced on 22 May 2023).

The maximum number of Ordinary Shares that could be purchased under the 2024 Programme was 696,743,990 (reflecting the impact on the 2023 Authority of the reduction in issued share capital following the off-market buyback announced on 22 May 2023 and further reduced by the number of shares purchased to 19 February 2024 under the 2023 Programme).

The 2023 Programme started on 31 July 2023 and ended on 22 March 2024. 227,760,624 ordinary shares (nominal value £245,280,672) were purchased by the company under the Programme at a volume weighted average price of 217.1788 pence per Ordinary Share for a total consideration of £494,647,875.28. All of the purchased ordinary shares were cancelled, representing 2.52% of the company's issued ordinary share capital.

The 2024 Programme started on 19 February 2024 and ended on 24 July 2024. 104,485,015 ordinary shares (nominal value £112,522,324) were purchased by the company under the Programme at a volume weighted average price of 287.1225 pence per ordinary share for a total consideration of £299,999,997.21. All of the purchased ordinary shares were cancelled, representing 1.19% of the company's issued ordinary share capital.

Shareholders will be asked to renew the authority for the company to make market purchases or ordinary shares at the AGM in 2025.

Off-market purchases

A Directed Buyback Contract between the Company and HMT was approved by the shareholders of the Company at a General Meeting on 6 February 2019. Amendments to the Directed Buyback Contract were approved by the shareholders at a General Meeting on 25 August 2022 and at the 2024 AGM. The authority from shareholders to make off-market purchases of ordinary shares from HMT (or its nominee) under the terms of the Directed Buyback Contract was renewed at the 2024 AGM.

The company used this authority to make an off-market purchase of 392,448,233 ordinary shares (nominal value £422,636,559) in the company from HMT on 31 May 2024, at a price of 316.2 pence per ordinary share for the total consideration of £1,240,921,312.75, representing 4.50% of the company's issued ordinary share capital. The company cancelled 222,448,233 of the purchased ordinary shares and transferred the remaining 170,000,000 ordinary shares to treasury.

On 11 November 2024, the company made a further off-market purchase of 262,605,042 ordinary shares (nominal value £282,805,430) in the company from HMT, at a price of 380.8 pence per ordinary share for the total consideration of £1 billion, representing 3.16% of the company's issued ordinary share capital. The company cancelled all of the purchased ordinary shares.

Shareholders will be asked to renew the authority for the company to make off-market purchases of its ordinary shares from HMT (or its nominee) at the AGM in 2025.

Preference shares

At the AGM in 2024, shareholders renewed the authority for the company to make an off-market purchase of its preference shares. Shareholders will be asked to renew the authority at the AGM in 2025.

Additional information

Where not provided elsewhere in the Report of the directors, the following additional information is required to be disclosed by Part 6 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Share Capital

The rights and obligations attached to the company's ordinary shares and preference shares are set out in our Articles of Association. Copies can be obtained from Companies House in the UK or can be found at natwestgroup.com.

The rules governing the powers of directors and their appointment, including in relation to issuing or buying back shares, are set out in our Articles of Association. It will be proposed at the 2025 AGM that the directors' authorities to allot shares under the Companies Act 2006 (the Companies Act) be renewed.

At the 2024 AGM, shareholders gave authority to directors to offer a scrip dividend alternative on any dividend paid up to the conclusion of the AGM in 2027.

The Articles of Association may only be amended by a special resolution at a General Meeting of shareholders.

Voting

The cumulative preference shares represent less than 0.006% of the total voting rights of the company, the remainder being represented by the ordinary shares.

In a show of hands at a General Meeting of the company, every holder of ordinary shares and cumulative preference shares who is present in person or by proxy and entitled to vote, shall have one vote.

On a poll, every holder of ordinary shares who is present in person or by proxy and entitled to vote shall have four votes for every share held. Every holder of cumulative preference shares shall have one vote for each 25p nominal amount held.

The notices of Annual General Meetings and General Meetings specify the deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the meeting.

Transfers

There are no restrictions on the transfer of ordinary shares in the company other than certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws).

The company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Pursuant to the UK Listing Rules, certain employees of the company require the approval of the company to deal in the company's shares.

Special rights

There are no persons holding securities carrying special rights with regard to control of the company.

Employee Share Plans

A number of the company's employee share plans include restrictions on transfers of shares while shares are subject to the plans. Note 3 to the consolidated financial statements sets out a summary of the plans.

Report of the directors continued

Under the rules of certain employee share plans, voting rights are exercised by the Trustees of the plan on receipt of participants' instructions. If a participant does not submit an instruction to the Trustee no vote is registered.

For shares held in the company's other employee share trusts, in accordance with investor protection guidelines, the Trustees abstain from voting. The Trustees would take independent advice before accepting any offer in respect of their shareholdings for the company in a takeover bid situation. The Trustees have chosen to waive their entitlement to the dividend on shares held by the Trusts.

A change of control of the company following a takeover bid may cause a number of agreements to which the company is party to take effect, alter or terminate. All of the company's employee share plans contain provisions relating to a change of control. In the context of the company as a whole, these agreements are not considered to be significant.

Directors

The names and brief biographical details of the current directors are shown on pages 81 to 83.

Frank Dangeard, Roisin Donnelly, Patrick Flynn, Yasmin Jetha, Stuart Lewis, Katie Murray, Mark Seligman, Paul Thwaite and Lena Wilson all served throughout 2024 and to the date of signing of the financial statements.

Geeta Gopalan was appointed to the Board on 1 July 2024.

Howard Davies resigned from the Board on 15 April 2024. Richard Haythornthwaite joined the Board as an independent non-executive director on 8 January 2024 and, following a handover period, succeeded Howard Davies as Chair on 15 April 2024.

Mark Seligman has confirmed his intention to retire from the Board on 31 March 2025.

All directors of the company are required to stand for election or re-election annually by shareholders at the AGM. In accordance with the UK Listing Rules, the election or re-election of independent directors requires approval by all shareholders.

Directors' interests

The interests of the directors in the shares of the company at 31 December 2024 are shown on page 159. None of the directors held an interest in the loan capital of the company or in the shares or loan capital of any of the subsidiary undertakings of the company, during the period from 1 January 2024 to 13 February 2025.

Directors' indemnities

In terms of section 236 of the Companies Act, Qualifying Third Party Indemnity Provisions have been issued by the company to its directors, members of the NatWest Group and NWH Executive Committees, individuals authorised by the PRA/FCA, certain directors and/or officers of NatWest Group subsidiaries and all trustees of NatWest Group pension schemes.

NatWest Group also maintains Directors' and Officers' Liability Insurance to provide appropriate protection to directors from liabilities that may arise against them in connection with their role.

Controlling shareholder

In accordance with the UK Listing Rules, the directors confirm that the company's ability to carry out its main business independently at all times of its controlling shareholder, HM Treasury, was complied with. HM Treasury ceased to be a controlling shareholder of the company on 22 March 2024.

Shareholdings

The following table shows the shareholders that have notified NatWest Group that they hold more than 3% of the total voting rights of the company at 31 December 2024.

	Ordinary shares (millions)	% of issued share capital with voting rights held ⁽¹⁾
Solicitor for the Affairs of His Majesty's Treasury as Nominee for His Majesty's Treasury	803	9.99
Blackrock, Inc.	461	5.26
Massachusetts Financial Services Company	448	5.12
The Capital Group, Companies, Inc.	403	5.01
Norges Bank	250	3.01

(1) Percentages provided were correct at the date of notifications on 12 December 2024, 31 May 2024, 6 March 2024, 19 November 2024 and 2 August 2024, respectively.

On 27 January 2025 a notification under Rule 5 of the Disclosure and Transparency Rules ('DTR') was received from HMT notifying that it held 643 million ordinary shares, representing 7.98% of the issued share capital with voting rights.

UK Listing rule 6.6.4

The information to be disclosed in the Annual Report and Accounts under UK Listing Rule 6.6.4 is set out in this Directors' report with the exception of details of contracts of significance under UK Listing Rule 6.6.1 R (9) and (10) given in Material contracts on page 427.

Political donations

At the AGM in 2024, shareholders gave authority, under Part 14 of the Companies Act 2006, for a period of one year, for the company (and its subsidiaries) to make political donations and incur political expenditure up to a maximum aggregate sum of £100,000. This authorisation was taken as a precaution only as the company

has a longstanding policy of not making political donations or incurring political expenditure within the ordinary meaning of those words.

During 2024, NatWest Group made no political donations, nor incurred any political expenditure in the UK or EU and it is not proposed that its longstanding policy of not making contributions to any political party be changed. Shareholders will be asked to renew this authorisation at the AGM in 2025.

Directors' disclosure to auditors

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act.

Auditors

Ernst & Young LLP (EY LLP) are the auditors and have indicated their willingness to continue in office. A resolution to re-appoint EY LLP as the company's auditors will be proposed at the forthcoming AGM.

By order of the Board

Jan Cargill

Chief Governance Officer and Company Secretary 13 February 2025

NatWest Group plc is registered in Scotland No. SC45551

Statement of directors' responsibilities

This statement should be read in conjunction with the responsibilities of the auditor set out in their report on pages 279 to 292.

The directors are responsible for the preparation of the Annual Report and Accounts. The directors are required to prepare Group financial statements, and as permitted by the Companies Act 2006 have elected to prepare company financial statements, for each financial year in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board. They are responsible for preparing financial statements that present fairly the financial position, financial performance and cash flows of NatWest Group.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable, relevant and reliable.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company and Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of NatWest Group and to enable them to ensure that the Annual Report and Accounts complies with the Companies Act 2006. They are also responsible for safeguarding the assets of NatWest Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

In addition, the directors are of the opinion that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

By order of the Board

Richard Haythornthwaite

Chair

13 February 2025

John-Paul Thwaite

Group Chief Executive Officer

Katie Murray

Group Chief Financial Officer

Board of directors

Chair

Richard Haythornthwaite

Executive directors

John-Paul Thwaite

Katie Murray

Non-executive directors

Mark Seligman

Frank Dangeard

Roisin Donnelly

Patrick Flynn

Geeta Gopalan

Yasmin Jetha

Stuart Lewis

Gillian Whitehead

Lena Wilson