

DATED [•]

NATWEST GROUP PLC

AND

THE LAW DEBENTURE TRUST CORPORATION P.L.C.

CONDITIONAL REPURCHASE AGREEMENT

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THIS AGREEMENT is made on [●] between:

- (1) **NATWEST GROUP PLC**, a company incorporated in Scotland with company number 929027 whose registered office is at 36 St Andrew Square, Edinburgh EH2 2YB, Scotland; ("**NatWest**"); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated in England with company number 02631386 whose registered office is at 8th Floor, 100 Bishopsgate, London, EC2N 4AG ("**Law Debenture**").

WHEREAS:

- (A) It is expected that certain holders of Existing Preference Shares (as defined below) in NatWest (the "**Holders**") will deposit such Existing Preference Shares with Law Debenture on trust for themselves pursuant to a tender offer memorandum (the "**Tender Offer Memorandum**") relating to the tender offers to be made by such Holders to NatWest (the "**Tender Offers**") and will instruct Law Debenture to sell such Existing Preference Shares to NatWest.
- (B) NatWest has agreed to repurchase from Law Debenture any such Existing Preference Shares which Law Debenture holds on trust following the deposits by the Holders referred to in Recital (A) pursuant to the Tender Offers.

IT IS AGREED as follows:

1. **INTERPRETATION**

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings and all capitalised terms used but not defined in this Clause 1 shall have the meaning ascribed to them in the Tender Offer Memorandum;

"**Existing Preference Shares**" means those of the 5.50 per cent. Cumulative Preference Shares (ISIN GB0007548026) and the 11.00 per cent. Cumulative Preference Shares (ISIN GB0007548133) held or to be held by Law Debenture as trustee on behalf of the Holder pursuant to the terms of the Tender Offers from time to time;

"**Holders**" has the meaning ascribed to it in Recital (A), and a "**Holder**" shall be construed accordingly;

"**Tender Offer Price**" means [●]¹ per cent of the aggregate liquidation preference of the 5.50 per cent Cumulative Preference Shares and [●]² per cent of the aggregate liquidation preference of the 11.00 per cent Cumulative Preference Shares as specified in the Tender Offer Memorandum, together with the relevant Accrued Distribution Payments; and

¹ The Tender Offer Price will not exceed a 5% premium to the most recently observed trading price for the Existing Preference Shares on the website of the London Stock Exchange plc as at 5pm London Time on the business day prior to launch of the Tender Offer

² The Tender Offer Price will not exceed a 5% premium to the most recently observed trading price for the Existing Preference Shares on the website of the London Stock Exchange plc as at 5pm London Time on the business day prior to launch of the Tender Offer

"Trust Deed" means the trust deed relating to the Existing Preference Shares to be entered into between NatWest and Law Debenture as supplemented, modified, restated and/or replaced from time to time.

2. **REPURCHASE**

- 2.1 NatWest hereby agrees to effect a repurchase, by way of an off-market purchase as defined in Section 694 of the Companies Act 2006, of full legal and beneficial title in any Existing Preference Shares held by Law Debenture pursuant to the terms of the Tender Offers at an amount equal to the relevant Tender Offer Price in respect of each series of Existing Preference Shares, such amount to be paid in accordance with Clause 2.3 on the Settlement Date.
- 2.2 Any such Existing Preference Shares repurchased by NatWest shall be delivered by the Trustee to such CREST, Euroclear, Clearstream, Luxembourg or DTC account (as the case may be) of NatWest as notified by NatWest to the Trustee from time to time.
- 2.3 The consideration for any repurchase effected pursuant to Clause 2.2 shall be paid directly by NatWest to the relevant Holder, and not to Law Debenture.

3. **LIENS, CHARGES AND ENCUMBRANCES**

Law Debenture shall not create any liens, charges or encumbrances or other third party rights over or in respect of the Existing Preference Shares which NatWest is required to repurchase pursuant to Clause 2.

4. **NOTICES**

4.1 **Addresses:**

Any communication shall be given by letter or fax,

in the case of notices to NatWest, to them at:

NatWest Group plc
Gogarburn
Edinburgh EH12 1HQ

Email: NatWestTreasuryCapitalStrategy@Natwest.com
Attention: NatWest Treasury DCM

and, in the case of notices to Law Debenture, to it at:

The Law Debenture Trust Corporation p.l.c.
8th Floor
100 Bishopsgate
London
EC2N 4AG

Fax no.: +44 (0)20 7606 0643
Email: LegalNotices@lawdeb.com
Attention: Trust Management Ref TC 204071

4.2 **Effectiveness:**

Any such communication shall take effect, in the case of a letter, at the time of delivery or, in the case of a fax, when the relevant delivery receipt is received by the sender; or, in the case of email when delivered, provided always that any email communication to Law Debenture shall only be treated as having been received upon written confirmation of receipt by Law Debenture and an automatically generated “read” or “received” receipt shall not constitute such confirmation; provided further that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is sent by fax or email will be written legal evidence.

5. **WHOLE AGREEMENT**

This Agreement contains the whole agreement between the parties relating to the subject matter of this Agreement at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement.

6. **FURTHER ASSURANCES**

Each party agrees (at the expense of NatWest) to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Agreement and the transactions contemplated by it.

7. **ASSIGNMENT**

The rights and obligations of the parties under this Agreement may not be assigned.

8. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

9. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

10. **GOVERNING LAW AND JURISDICTION**

10.1 **Governing law**

This Agreement, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

10.2 **Jurisdiction**

The courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. Each of the parties hereto irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

THIS AGREEMENT has been entered into on the date stated at the beginning.

NATWEST GROUP PLC

By:

Authorised Signatory

SIGNED by

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

acting by its authorised signatory

Authorised signatory: