

Special Dividend and Share Consolidation: shareholder meetings on 25 August 2022



These Q&A should be read in conjunction with the circular to shareholders (the “**Circular**”) and are subject to terms of the disclaimer set out on pages 5–6 of the Circular. You should read the whole of the Circular for further information and before making any voting decisions, and should not rely solely on the summary information below. Part II of the Circular sets out the detailed terms and conditions of the Special Dividend and Share Consolidation with respect to Ordinary Shares and ADSs representing Ordinary Shares. In the event of any inconsistency between the contents of these Q&A and the terms and conditions set out in the Circular, the terms and conditions set out in the Circular shall prevail.

What do I need to know?

Question	Answer
What issues are shareholders being asked to vote on at the shareholder meetings on 25 August?	We’re asking shareholders to approve the payment of a special dividend, the associated share consolidation and related matters. This will be done at a ‘General Meeting’. We will also ask ordinary shareholders to approve consequential amendments to the Company’s Articles as a result of the share consolidation in relation to the ordinary shares only, so we’ll hold a ‘Class Meeting’ of ordinary shareholders as well. To make it simple, we’ll call these two meetings the ‘shareholder meetings’ and when we’re talking about shares here, we mean ordinary shares.
Special dividend payable to shareholders	
What’s a special dividend?	A special dividend is a payment to shareholders, separate from the normal dividend cycle. It’s a way of returning capital to shareholders. We’re proposing a special dividend of 16.8p per share.
Why is NatWest Group paying a special dividend to shareholders?	The strength of NatWest Group’s balance sheet and financial performance mean it’s well positioned to responsibly grow its lending to customers and provide support to those who are likely to need it most, whilst also continuing to transform the bank and deliver sustainable returns to shareholders. The NatWest Group Board has chosen to return capital through a special dividend because it can be executed efficiently, treats all shareholders equally, is financially attractive and avoids increasing the proportion of NatWest Group owned by HM Treasury.
How much is the special dividend?	The special dividend is approximately £1.75 billion, representing 16.8p per share. The special dividend will be calculated on your shareholding before the share consolidation.

Question	Answer
Is there also an interim dividend?	We've also announced we'll pay an interim dividend of 3.5p per share to shareholders on the NatWest Group share register on 26 August. The interim dividend payment date is the same as the special dividend payment date – 16 September. The interim dividend will be calculated based on the number of shares you hold before the share consolidation.
How do I know if I'm entitled to the interim and special dividends?	If you have shares on the NatWest Group share register at 6 p.m. on 26 August, you'll be entitled to receive the interim dividend. The shares will go 'ex-dividend' on 25 August in relation to the interim dividend. If you've not sold your shares before 30 August, you'll be entitled to receive the special dividend. The shares will go 'ex-entitlement' at 8 a.m. on 30 August in relation to the special dividend.
What's the difference between the special dividend and the interim dividend?	The interim dividend forms part of the normal dividend cycle, so it doesn't form part of the issues being voted on at the shareholder meetings on 25 August.
Are the special and interim dividends payable to all shareholders?	No, the dividends will only be paid to holders of 'ordinary' shares. There are separate dividend arrangements for holders of 'preference' shares.

Consolidation of shares

What's the share consolidation?	The share consolidation reduces the number of shares that NatWest Group has in issue. Each shareholder exchanges a set number of their existing shares for a set number of new shares (being 14 existing shares for 13 new shares). The proportion of the total number of shares in NatWest Group held by each shareholder will remain unchanged (subject to fractional entitlements) before and after the share consolidation.																		
Why is NatWest Group doing a share consolidation?	When companies like NatWest Group pay a considerable proportion of their market capitalisation back to shareholders as a special dividend, it's common to combine this with a share consolidation. What we're trying to do is keep our share price at approximately the same level before and after payment of the special dividend. If we paid the special dividend and didn't combine this with a share consolidation, the share price would be likely to reduce.																		
How does a share consolidation work?	All existing ordinary shares in NatWest Group will be consolidated at a ratio of 14 to 13. This means that for every 14 existing ordinary shares a shareholder currently owns, they'll receive 13 new ordinary shares to replace the existing ordinary shares held.																		
	<table border="1"> <thead> <tr> <th>Existing shares</th> <th>New ordinary shares</th> <th>Special dividends</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>–</td> <td>£0.168</td> </tr> <tr> <td>100</td> <td>92</td> <td>£16.80</td> </tr> <tr> <td>250</td> <td>232</td> <td>£42.00</td> </tr> <tr> <td>500</td> <td>464</td> <td>£84.00</td> </tr> <tr> <td>1,000</td> <td>928</td> <td>£168.00</td> </tr> </tbody> </table>	Existing shares	New ordinary shares	Special dividends	1	–	£0.168	100	92	£16.80	250	232	£42.00	500	464	£84.00	1,000	928	£168.00
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What happens if my shareholding can't be divided by the agreed consolidation ratio?	If your shareholding can't be divided exactly by 14 then your new shareholding will be rounded down to the nearest whole number of shares. Any amounts left over following the calculation are called fractional entitlements. The value of any such fractional entitlements will always be less than the value of one share. For context, the NatWest Group share price on 8 August was £2.5410.
I have a share certificate – what happens to my fractional entitlements?	It's not possible to hold a fraction of a share on the main NatWest Group share register. Any fractional entitlement you have will be aggregated with those of other shareholders and sold. Proceeds of less than £5 from the sale of fractional entitlements, after deduction of expenses associated with the sale, will be donated to ShareGift, a UK registered charity (no. 1052686, www.sharegift.org).
What if my existing shareholding is less than 14 shares?	If your existing shareholding is less than 14 shares, you'll not be entitled to a whole number of new shares following the consolidation. We'll confirm your fractional entitlement following the consolidation. The proceeds of sale of your fractional entitlement (if less than £5) will be donated to ShareGift as detailed above. Any amounts above £5 will be returned to you.
Will I receive a new share certificate?	If you currently have a share certificate, you'll receive a new share certificate following the consolidation, representing your holding of new shares. From 30 August 2022, all share certificates previously issued to you will become invalid. We'll start to send new share certificates out no later than 14 September that will show the updated position post-share consolidation. If you haven't received a new share certificate by 5 October please contact our Registrar, Computershare (contact details below).
Do I need to send off my old share certificate?	No, you don't need to send your old share certificates to us or to the Registrar. These can be destroyed on receipt of the new share certificate representing your new holding.
Next steps	
What happens next?	We're holding the shareholder meetings on 25 August. Before the meetings, shareholders will be able to vote on the resolutions (see 'How can I vote on the resolutions?' below). If the resolutions are passed, the following timetable will apply: 26 August – special dividend record date 30 August – consolidation effective date and 'ex-entitlement' date for the special dividend 16 September – special (and interim) dividend payment date
What happens if I buy or sell shares on or around the dividend record date?	This depends on the exact dates, please see our trading timeline.
What's the consolidation effective date?	The consolidation effective date, 30 August 2022, is the date on which your existing shares will be exchanged for new shares.

Question	Answer
What happens if I buy or sell share on or around the consolidation effective date?	This depends on the exact dates, please see our trading timeline.
I've got a share certificate – how and when will I receive my dividends?	<p>Your dividends will be paid in cash directly into your bank account on 16 September 2022. To register or update your bank account details:</p> <ul style="list-style-type: none"> • Visit 'Investor Centre' at www.investorcentre.co.uk. Once logged in click on 'My Profile' then 'Banking Details'; or • Call the NatWest Group shareholder helpline on +44 (0)370 702 0135 and register your bank details over the phone <p>If you don't register any bank details with Computershare, we'll send you a cheque in Pound Sterling to your registered address on 16 September 2022.</p>
Shareholder meetings and voting	
Where and when are the shareholder meetings being held?	We'll be holding the shareholder meetings on 25 August 2022 at our Gogarburn head office in Edinburgh. Shareholders will be able to attend and participate in the meeting and are entitled to vote on the resolutions. It's also possible to view the meeting online via a live broadcast. However, there will be no ability to speak or vote if viewing the shareholder meetings online via the live broadcast so shareholders are encouraged to vote by proxy in advance of the meeting by 2.30 p.m. on 23 August 2022 to ensure your vote is counted.
How can I vote on the resolutions?	You'll receive a Shareholder Circular (which includes the Notice of General Meeting and Notice of Class Meeting) and Form of Proxy, which will explain how to vote. You can also access these documents online at www.investors.natwestgroup.com/shareholder-centre/shareholder-meetings
Why is the nominal value of £1 per share changing?	<p>Nominal value is different to the market value per share that you see quoted on the stock exchange. On the consolidation, the nominal value of £1 per share will increase in proportion to the consolidation ratio meaning post consolidation, the nominal value per share will be approximately £1.0769.</p> <p>It is standard practice for the per share nominal value to change because of share consolidations.</p>
What changes are being made in respect of the voting rights per share?	<p>We're asking shareholders to approve a change to our Articles of Association to ensure the number of votes per share will remain the same before and after the share consolidation.</p> <p>At the moment, our Articles of Association say that each shareholder has 1 vote per 25p of nominal value. The nominal value of our shares will increase (see above) following the share consolidation. As the new nominal value can't be divided exactly by 25 and fractional voting rights are not permitted, shareholders are being asked to approve a change to our Articles of Association which would mean each share carries 4 votes.</p>
Do I have to vote?	No, voting is not compulsory. You can choose whether and how to vote on the resolutions.

Question	Answer
Find out more	
Where can I find out more?	<p>If you have any questions on the special dividend or share consolidation, you can contact our Registrar, Computershare, on +44 (0) 870 702 0135 (8.30am to 5.30pm UK time, Monday to Friday – excluding UK public holidays).</p> <p>Alternatively, you can write to Computershare at:</p> <p>Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ</p> <p>Or you can contact them by email at: nwggm@computershare.co.uk</p>

Special dividend with consolidation



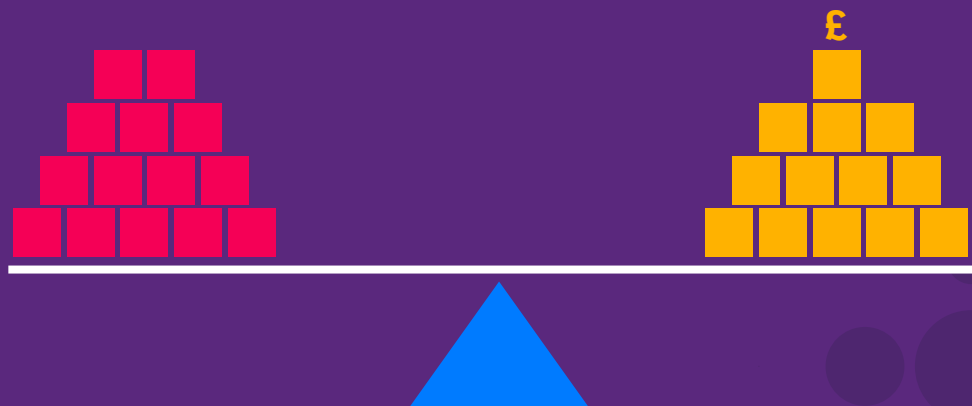
NatWest Group

Shareholder distributions

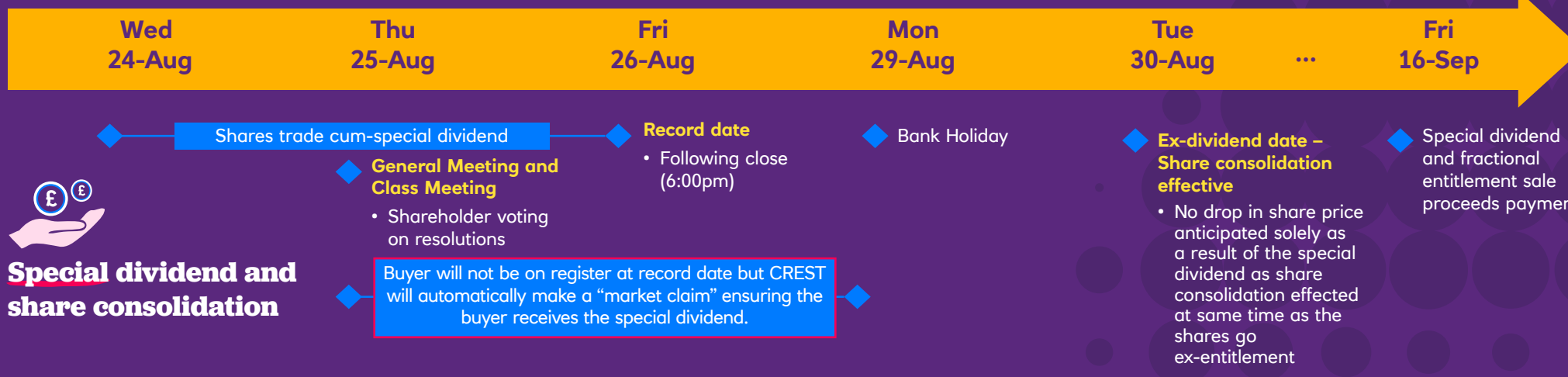
£1.75bn Special dividend

With share consolidation

£0.4bn Interim dividend*



14 existing shares = 13 new shares + special dividend



*An interim dividend of 3.5 per ordinary share will be paid on 16 September. The ex-dividend date for the interim dividend is 25 August - drop in share price of 3.5p anticipated

Trading timeline: interim dividend and special dividend with consolidation



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