

Terms of Reference

Chair	An independent Non-executive Director of NatWest Group plc (“NWG”) who must have served on the Group RemCo, or the remuneration committee for another company, for at least twelve months before appointment as Chair.
Members	At least three independent Non-executive Directors of NWG (including the RemCo Chair)
Observers	At the invitation of Group RemCo, all Double Independent Non-Executive Directors¹ appointed to the Boards of the NWH Sub Group shall have a right to attend meetings of the Group RemCo, subject to appropriate management of any conflicts of interest. The NWH Sub Group comprises NatWest Holdings Limited, The Royal Bank of Scotland plc and National Westminster Bank Plc.
Attendees	Group Chair Group Chief Executive Officer (“Group CEO”) Group Chief Governance Officer and Company Secretary Group Chief People Officer Director, Reward & Employment
Additional Invitees	Senior representatives from People, Risk, Finance, Internal Audit, Marketing and Strategic Development, as required Independent advisers, as required Additional invitees or subject matter experts may be invited to attend or to present to Group RemCo at the request of the Chair.
Quorum	Two members
Meeting Frequency	At least five meetings per annum and ad hoc as required
Secretary	Corporate Governance
This Committee receives its authority from	Group RemCo operates under delegated authority from the NWG Board.
Purpose of this Committee	To oversee the establishment and implementation of a remuneration policy for colleagues and directors, which is designed to support the long-term business strategy and values of NWG and its subsidiaries (the “Group”), as well as promote effective risk management and comply with applicable legal and regulatory requirements (the Group Remuneration Policy). To review performance and approve remuneration arrangements* as set out within its Terms of Reference. To oversee the performance management framework including the actions taken by management to deliver the Group’s strategic ambitions on performance. Group RemCo members will also ensure that due consideration is given to the Group’s purpose ambition, strategy and culture in Group RemCo discussions and decisions.

¹ An individual who is an independent non-executive director of NatWest Holdings Limited (“NWH”) (and any of NWH’s subsidiaries) and not a non-executive director of any other Group entity

Scope of this Committee's oversight and responsibility	1. <u>Directors and Chairman</u> 1.1 To review and approve on the Directors' Remuneration Policy, to reflect the Group's purpose, business strategy, values and the long-term interests of the Group, as well as the need to promote effective risk management, and comply with applicable regulation. The Directors' Remuneration Policy will also reflect remuneration and related policies of the wider workforce and the alignment of incentives and rewards with culture. The Directors' Remuneration Policy is subject to NWG Board and shareholder approval. 1.2 To review and approve service contracts, performance measures, performance assessment and remuneration arrangements* for NWG Executive Directors. As part of its review of performance measures and assessment for NWG Executive Directors, Group RemCo will determine whether an appropriate level of risk management and performance adjustment has been applied through consultation and receipt of advice from the Group Board Risk Committee, the Group Audit Committee and the Group's Control Functions including the Group Chief Risk Officer. 1.3 To review and approve any termination payments for NWG Executive Directors, having regard to the terms of the service contract and reasons for termination. Group RemCo will ensure that any proposals relating to such payments are fair and reasonable, do not reward failure and recognise the duty to mitigate loss. 1.4 To review and approve the fee for the Chair of NWG. 2. <u>Group Executive Committee ("Group ExCo")</u> To review and approve performance measures, performance assessment and remuneration arrangements for Group ExCo members and attendees (other than the NWG Executive Directors) and the senior risk and compliance officer(s) for NWG. As part of its review of performance measures and assessment, Group RemCo will determine whether an appropriate level of risk management and performance adjustment has been applied through consultation and receipt of advice from the Group Board Risk Committee, the Group Audit Committee and the Group's Control Functions including the Group Chief Risk Officer. 3. <u>High Earners and the Group Chief Governance Officer and Company Secretary ("Company Secretary")</u> 3.1 To review and approve remuneration arrangements for individuals who earn total annual compensation of $\geq$ £1.5 million ("High Earners") and the Group Chief Governance Officer and Company Secretary. 3.2 To review and approve any Severance Approval Request where non-standard policy terms are proposed or litigation settlement payment for the populations summarised in paragraphs 1 to 3 above.
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- 3.3 To review and approve any:
- 3.3.1 buy-out award, new hire guarantee, conditional or retention bonus that are individually $\geq$ £1.5 million;
 - 3.3.2 buy-out award, new hire guarantee, conditional or retention bonus of any value for the populations summarised in paragraphs 1 to 3 above.
4. Material Risk Takers (“MRTs”)
- 4.1 To approve the framework and principles that govern remuneration arrangements* for MRTs, and to oversee the implementation of such framework and principles.
 - 4.2 To review and approve remuneration arrangements for any MRT individual who falls outside of the populations summarised in paragraphs 1 to 3 above or otherwise delegate such authority to any of its members, attendees or management, as appropriate.
5. Group-wide Population
- 5.1 To review key workforce policies and practices annually to ensure they are consistent with the Group’s culture and support long term sustainable success.
 - 5.2 To oversee the performance management framework and actions taken by management to deliver the Group’s strategic ambitions on performance.
 - 5.3 To approve the Group Remuneration Policy (including the design principles for any short-term incentives, or any incentive proposals relating to the Group’s ventures and collaboration activities) reflecting any applicable regulatory requirements and other relevant guidance.
 - 5.4 To ensure that the Group Remuneration Policy is transparent, that it is not unduly complex and that it aligns with the Group’s culture so that it should drive behaviours consistent with the Group’s purpose, values and strategy.
 - 5.5 To exercise independent judgement and discretion when making remuneration decisions and to take account of company and individual performance and wider circumstances. The exercise of discretion shall enable the overriding of formulaic outcomes.
 - 5.6 To disclose and explain any exercise of discretion.
 - 5.7 To review and approve annual bonus pool proposals for the Group’s customer businesses, services and functions ensuring they are appropriately performance and risk adjusted. As part of the review, Group RemCo will consult and receive advice from the Group Board Risk Committee, the Group Audit Committee and the Group’s Control Functions including the Group Chief Risk Officer.
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- 5.8 To provide an annual update to the Colleague Advisory Panel (CAP) on the remuneration policy for NWG Executive Directors and an explanation as to how it aligns with the wider Group Remuneration Policy. To consider any updates provided to Group RemCo by the Chair of the CAP.

6. Colleague Share Plans

- 6.1 To review and recommend the design of colleague share plans for approval to the NWG Board and, where required, shareholders.
- 6.2 To assess and approve vesting levels for colleague share plan awards granted to the populations summarised in paragraphs 1 to 3 above, including exercising discretion to override formulaic outcomes.
- 6.3 To consider and approve the exercise of any discretion under the colleague share plan rules, in connection with the populations summarised in paragraphs 1 to 3 above, and also any discretion which relates to NWG level corporate events.
- 6.4 To monitor levels of shareholder dilution arising from the grant of colleague share plan awards and take necessary steps to ensure dilution limits are not exceeded.

7. Remuneration Policy Implementation

- 7.1 To review annually a report from management on the operation and effectiveness of the Group Remuneration Policy including the determination of whether an appropriate level of risk management and performance adjustment has been applied in connection with variable remuneration arrangements.

8. Accountability Review proposals

- 8.1 To review and approve malus and clawback proposals, in-year variable remuneration reductions, and the placing and lifting of vesting suspensions for the populations summarised in paragraphs 1 and 2 above.
- 8.2 To review and approve malus and clawback proposals, in-year variable remuneration reductions and the lifting of vesting suspensions for:
- 8.2.1 the population summarised in paragraph 3 above;
 - 8.2.2 individuals within scope of a Regulatory Reportable Event (“RRE”). As part of the review, Group RemCo will receive advice from the Group Chief Risk Officer.

9. Reporting and Disclosure

- 9.1 To report to the NWG Board after each meeting on all material issues discussed.

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- 9.2 To approve the Remuneration Report to NWG shareholders which forms part of the Annual Report and Accounts and includes the Directors' Remuneration Policy.
 - 9.3 To consider and make recommendations to the NWG Board on remuneration related shareholder resolutions.
 - 9.4 To be prepared, through the Group RemCo Chair, to answer questions at the Annual General Meeting which relate to any matter within the remit of Group RemCo.
 - 9.5 To engage, as appropriate through the Group RemCo Chair, with key stakeholders on remuneration issues.
 - 10. Regulatory
 - 10.1 To approve the annual Remuneration Policy Statement ("RPS") to be submitted to the Prudential Regulation Authority ("PRA"). The Group RemCo Chair will be available to meet with the PRA and the Financial Conduct Authority to discuss the RPS and other performance and remuneration-related matters.
 - 10.2 To review any other significant remuneration disclosures or notifications as required by regulation from time to time.
 - 11. Performance Review
 - 11.1 To arrange periodic assessments of its own performance.
 - 11.2 To review periodically its Terms of Reference and recommend any changes to the NWG Board for approval.
 - 12. External Advice
 - 12.1 To engage, at the expense of NWG, any external advisers, as it determines necessary, to carry out its duties.

Escalation

Group RemCo will report and make recommendations to the NWG Board, identifying any matters within its remit in respect of which it considers that further action / approval is required.

The minutes of the Group RemCo will be made available to the NWG Board.

Authority Delegated By this Committee

Group RemCo has delegated authority as follows:

1. to management, to approve remuneration arrangements for MRTs falling outside of the populations summarised in paragraphs 1 to 3 above. Group RemCo will oversee the delegation of this authority through an annual report. In accordance with the Risk Governance Modification application submitted to and approved by the PRA, remuneration arrangements* for the individual who performs the dedicated support role to the Double Independent Non-Executive Directors (DINEDS) of NatWest Holdings Limited, must also be approved by the DINEDs acting by majority;

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2. to management, to approve share-based award proposals for any individuals falling outside of the populations summarised in paragraphs 1 to 3 above. Group RemCo will oversee the delegation of this authority through an annual report**;
 3. to management, to approve malus and clawback proposals, in-year variable remuneration reductions or the lifting of vesting suspensions for any individuals falling outside of the populations summarised in paragraph 8 above. Group RemCo will oversee the delegation of this authority through an annual report;
 4. to management, for an individual falling outside of the populations in paragraphs 1 and 2 above to:
 - i) place any vesting suspensions;
 - ii) lift a vesting suspension in circumstances where an individual is no longer deemed to be in-scope of an Accountability Review; and
 - iii) partially lift a vesting suspension in circumstances where a disproportionate amount of an individual's awards is deemed to have been suspended whilst an Accountability Review remains on-going.
 5. to the Group Chief People Officer, in respect of colleague share plan matters not expressly reserved under its Terms of Reference;
 6. to the Group Chief People Officer, to review and approve modifications to the Group Remuneration Policy to be applied to entities related to Group investments up to the value of £500m.
 7. to the Group RemCo Chair and the Group Chair, to approve Compensation Approval Requests and any Severance Approval Request where non-standard policy terms are proposed under the RemCo Fast-track process for High Earners, if the Total Compensation is <£2m and the proposal for approval is <£2m;
 8. to the Director, Reward and Employment, to approve final buyout valuations in cases where the 20% buffer has been exceeded as a result of factual reasons such as share price or FX movement;
 9. to the Director, Reward and Employment, to approve post-approval ancillary changes of up to £50,000 to Compensation Approval Requests and Severance Approval Requests, subject to the value of the post-approval change not triggering a higher approval authority under the Group Compensation Approval Matrix;
 10. to management, to approve any litigation settlement payment of up to £100k, excluding those in connection with the populations summarised in paragraphs 1 to 2 above, and to enhance standard legal fees, outplacement contributions and any other incidental supplier costs where that is considered appropriate with support from the Employment Law Practice;
 11. to the Director, Reward and Employment, to approve the MRT Material Business Units and MRT subordinated business units or subordinated control functions;
 12. to the Director, Reward and Employment, to review the final MRT remuneration disclosures for the Group;
 13. to the Group RemCo Chair, to approve the annual RPS to be submitted to the PRA;
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14. to the Group RemCo Chair, to approve the final Directors' Remuneration Report and, save for the final MRT disclosures, any other remuneration-related disclosures contained in the Group's suite of annual reporting documentation, following feedback from Committee members; and
 15. to the Group RemCo Chair and the Group Chair, to approve non-material changes to the bonus scorecard measures, targets or outcomes for the populations summarised in paragraphs 1 and 2 above, subsequent to such measures, targets or outcomes having previously been reviewed and approved by Group RemCo and the NWG Board, as appropriate.

Group RemCo will receive an annual update on delegated authorities to ensure the committee is able to monitor the use of such delegations as part of its Policy Implementation Review.

Group RemCo may further delegate authority to management, as considered necessary or appropriate, for any other matter from time to time.

Where authority has been delegated, management will ensure no colleague will be involved in the determination of his/her own pay.

ToR last approved on	Group RemCo – 10 December 2025
	NatWest Group plc Board – 11 December 2025

* For the purposes of the Group RemCo's Terms of Reference, 'remuneration arrangements' include variable remuneration arrangements, fixed pay adjustments, pension arrangements, non-standard policy severance arrangements and litigation settlement payments. The value of any buy-out, new hire guarantee, conditional or retention bonus is excluded from the definition of 'remuneration arrangements'.

** Responsibility for approving or overseeing non share-based remuneration arrangements for individuals falling outside of the populations summarised in paragraphs 1 to 4 falls outside the scope of the Group RemCo's Terms of Reference and will remain the responsibility of management.