

Terms of Business

For information only¹



¹These Terms of Business ("these Terms") are provided for information purposes only, to satisfy the regulatory obligations of NatWest (as defined below) under MiFID II (as defined below). These Terms are not to be negotiated.



NatWest

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1 Our Status

- 1.1 These Terms of Business (“**these Terms**”) shall be legally binding on your use or continued use of our services hereunder and set out the terms on which all business is carried on by National Westminster Bank Plc’s Structured Finance and Capital Management franchises (“**NatWest**”, “**we**”, “**our**” or “**us**”) in respect of certain products and ancillary services. Transactions and services in certain products and ancillary services may be subject to separate or supplementary terms. The principal address for NatWest is 250 Bishopsgate, London EC2M 4AA.
- 1.2 Other members of The Royal Bank of Scotland Group (the “**RBSG**”) (“**Affiliates**”) may act as agent for each other. These Terms shall apply unless our Affiliate expressly requires otherwise, in which case you will be notified in advance of any terms. We or our Affiliates will act as principal and not as agent on your behalf, unless we specifically agree to do so in writing.
- 1.3 These Terms ensure the uninterrupted continuation of our business and ensure compliance with the Directive 2014/65/EU and Regulation 600/2014/EU (both as amended from time to time) and the (recast) Markets in Financial Instruments Directive II (together, “**MiFID II**”).

2 Our Website

- 2.1 We will publish these Terms on our website www.natwest.com along with information about our entities, our complaints procedure, our terms of electronic communication, product information, the risks and conflicts of interest arising from our business and, where appropriate, any other information.

3 Updates

- 3.1 We may update these Terms and any other information by publishing them on www.natwest.com

4 Regulatory Information

- 4.1 National Westminster Bank Plc (FCA registration number 121878) and NatWest Markets Plc (FCA registration number 121882) (“**NatWest Markets**”) are authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the **PRA**. The address of the FCA is Financial Conduct Authority, 12 Endeavour Square, London E20 1JN and the address of the PRA is 20 Moorgate, London EC2R 6DA.
- 4.2 National Westminster Bank Plc and NatWest Markets Plc are members of the RBSG. For information about the RBSG please visit www.rbs.com and click on ‘About Us’, or for similar enquiries please telephone 0131 556 8555 or Textphone 0845 900 5960.
- 4.3 For the purposes of these Terms, applicable regulations shall include the handbook published by the FCA (the “**FCA Handbook**”) and the rules thereunder (the “**FCA Rules**”), the rulebook published by the PRA (the “**PRA Rulebook**”) and the rules thereunder (the “**PRA Rules**”, and together with the FCA Rules, the “**FCA and PRA Rules**”), the rules of any other relevant regulatory authority or exchange and any applicable laws, rules, procedures, guidance, codes, standards and regulations (including, without limitation, accounting rules and anti-money laundering or sanctions legislation) in force from time to time (“**Applicable Regulations**”). Where these Terms conflict with Applicable Regulations, the latter shall prevail.
- 4.4 In relation to any business conducted through our European Economic Area (“**EEA**”) branches, any references in these Terms to the FCA Handbook and/or the PRA Rulebook should be construed as references to the equivalent conduct of business rules in the jurisdiction in which the relevant EEA branch is located.
- 4.5 For the avoidance of doubt, our obligations under Applicable Regulations are strictly regulatory and no reference to such obligations will create any contractual obligation owed by us to you with respect to such regulatory obligations.
- 4.6 Further MiFID II disclosures in relation to NatWest are detailed within the Appendices attached.

5 Your Status

- 5.1 Based on the information available to us and as permitted by the FCA and PRA Rules we have categorised you as either a “Professional Client” or an “Eligible Counterparty” (an “**ECP**”) and notified you of the relevant category. You will benefit from the regulatory protections afforded to that category of client under the FCA and PRA Rules.
- 5.2 You have the right to request a different client categorisation either generally, or in respect of a particular service, type of transaction or product. If we receive such a request, we will inform you of whether or not we accept it and, if we do accept it, of any such limitations that such re-categorisation will entail. However, until we receive such a request and inform you of our acceptance of it, we shall deal with you on the basis of our original categorisation. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation.
- 5.3 Subject to Applicable Regulations, we shall treat you alone as our client (as defined by the FCA and PRA Rules). Where you are acting as agent, we accept no responsibility towards your underlying clients unless we separately agree different treatment with you. You undertake (as the contracting party and not by way of guarantee) to fulfil the obligations of any underlying clients of yours and to indemnify us against any loss resulting from default by any such underlying client. You undertake to provide us with evidence of the identity of any underlying client of yours or any other information reasonably required in order for us to comply with any Applicable Regulations.

- 5.4 If you are acting on behalf of underlying clients, you hereby represent, warrant and agree that:
- each underlying client has the legal capacity to enter into the transactions contemplated under these Terms and has appointed you to enter into transactions and to act as agent, on its behalf; and
 - transactions will only be undertaken for the account of each underlying client when the transaction is appropriate for the underlying client (i.e. the client understands the transaction and risks associated with it).

These representations are deemed to be repeated each time a transaction is entered into as if made at each such time and shall be deemed to be true and correct so long as any transaction is outstanding under these Terms.

- 5.5 Provision of services by us pursuant to these Terms will not, unless specifically agreed between us in writing, give rise to any fiduciary or equitable duties on our part or that of our Affiliates. You agree that nothing contained in these Terms shall create any fiduciary, trustee, agency, joint venture or partnership relationship between us or any Affiliate of ours, on the one hand, and you or any Affiliate of yours on the other.

6 Change of Country of Incorporation

- 6.1 You agree to provide us with 30 business days' prior written notice if you intend to: (i) change your country of incorporation; (ii) move your business operations to another country; or (iii) transact or attempt to transact products in or from another jurisdiction.
- 6.2 You acknowledge that we reserve the right to amend, suspend, replace, add or withdraw any or all products and/or services if we determine, in our absolute discretion, that we are unable to carry out transactions in, sell products to, or deal with clients in, such jurisdiction for any reason, including, without limitation, due to regulatory or tax requirements, change in business strategy, or country risk appetite.

7 Conflicting Terms

- 7.1 Where we enter into or have entered into supplementary or separate terms, or a separate agreement with you in respect of transactions and/or the provision of services in relation to such transactions and the contents of those terms conflict with the contents of these Terms, then the contents of the supplementary or separate terms or agreements shall prevail in respect of such transactions save to the extent that such terms are not permitted under any Applicable Regulations.

8 Our Services

- 8.1 We may provide you with ancillary services which may include arranging deals in financial instruments, assistance in relation to undertakings on capital structure, industrial strategy and related matters and services relating to mergers and the purchase of undertakings. We will not provide you with advice on the merits of a particular transaction or provide you with personal recommendations (as defined by the FCA and PRA Rules) in relation to any transaction. You should not rely on any opinion, research or analysis expressed or published by us or our Affiliates as being a recommendation or advice in relation to any transaction.
- 8.2 In all cases, you should make your own assessment of any transaction that you are considering and seek independent advice as required. When dealing with us in all other respects, you are solely responsible for ensuring that the contracts you enter into are in accordance with your investment objectives and comply in all respects with any Applicable Regulations.
- 8.3 If you are a Professional Client, we are entitled to assume that you have the necessary knowledge and expertise to understand the risks involved in relation to the particular investment services, transactions, or products for which we have classified you as a Professional Client, and, as such we will not determine whether any such product is appropriate for you. If you are an ECP there is no requirement for us to consider whether any service, product or transaction is appropriate for you.
- 8.4 Any legal, accounting, tax or other adviser retained by us shall be the legal, accounting, tax or other adviser to us alone. You shall have sole responsibility for selecting and retaining any legal, accounting, tax or other adviser that may advise you and for all expenses and fees incurred in connection therewith.
- 8.5 A general description of the nature and risks of the financial instruments that we may arrange, manufacture or distribute is detailed in Appendix 1.

9 Product Governance

- 9.1 Under the FCA Rules we are required to ensure that when we manufacture investments, where such investments may be distributed by our Affiliates, we comply with certain product governance requirements including, for example, defining a target market for investments. Unless you tell us otherwise we will assume that you are acting for your own account and not as a distributor for the purposes of these requirements
- 9.2 When we make different products and services available to you we will do so in accordance with the FCA Rules relating to the promotion and manufacture of investments and other products. Where certain investments or other products are the subject of restriction or product intervention by the FCA (or other competent authority) we may not be able to make such investments or other products available to you, depending on your classification as a client and depending on the service we are providing to you.

10 Our Authority and Duties

- 10.1 We accept instructions to act in writing, via electronic communication or by telephone. Any instruction is transmitted at your own risk and we shall not be liable for any loss suffered on account of any instruction not being received by us.
- 10.2 We may at our absolute discretion refuse to accept or act in accordance with any instruction given by you. Where we refuse to act on any instruction, we will notify you of our refusal but we will not be under any obligation to give a reason for a refusal to act. We may accept and act upon, without further enquiry, any instructions believed by us in good faith and on reasonable grounds to be genuine. Nothing in these Terms shall oblige us to do anything that we believe to be contrary to any Applicable Regulations.
- 10.3 Without prejudice to clause 19.1 (Exclusion of Liability/Indemnities), we accept no liability for the partial or non-completion of or delay in completing any instructions given by you or accepted by us where this is caused by systems failure, market closure or other exceptional circumstances, including any instance where there is not a reasonable amount of time available to execute the transaction prior to the closure of the particular market or within any specified time limit. Further, we shall not be held liable for any loss you may incur arising from any delay or change in market conditions before such transactions may be effected, whether caused by the inability to communicate with market makers, computer failure, labour dispute or any other reason beyond our reasonable control.
- 10.4 We may employ agents or contractors on such terms as we think fit to assist us in providing the services to you. The employment of agents or contractors will in no way limit the obligations owed to you by us under these Terms.
- 10.5 We may engage in hedging or other positioning activity for our own account before and after the provision of a price to you for a transaction in order to manage our exposure under that transaction, our general market risk, or other trading activities.
- 10.6 Any information we provide to you relating to transactions is believed, to the best of our knowledge and belief at the time it is given, to be accurate and reliable, but no further representation is made or warranty given or liability accepted, as to its completeness or accuracy. Such information does not constitute an assurance or a guarantee as to the expected outcome of any such transaction. You should also be aware that market conditions and pricing may change between the time we provide you with information and the time you approach us with a view to entering into a trade.

11 Your Authority and Duties

- 11.1 You hereby represent, undertake and warrant to NatWest on the date of these Terms and on a continuing basis that:
- you have and will maintain in effect all necessary consents, authorisations, approvals and (if you are not an individual) powers in your constitution in relation to all transactions covered by these Terms and that you have complied with and will comply with all Applicable Regulations, including where you are acting as agent;
 - you have full capacity and authority to enter into these Terms and each transaction under these Terms;
 - your execution, delivery and performance of these Terms and each transaction do not and will not violate, contravene, conflict with or constitute a default under any provision of your constitutional documents (where applicable) or any Applicable Regulations;
 - you will provide to us on request such information regarding your financial or business affairs as we may reasonably require in order to comply with our obligations under the FCA and PRA Rules and that all information supplied to us will be true and accurate in all material respects and you will not omit or withhold any information which would render the information so supplied to be false or inaccurate in any material respect and that you will keep any information so provided updated during the term of these Terms;
 - you will notify us of any changes to your business which may impact our ability to continue to provide services to you under these Terms, including moving your registered office to another jurisdiction; and
 - you will provide to us such information as we may from time-to-time request from you, to enable us to comply with our regulatory reporting obligations in respect of the services that we provide to you.

12 Our Costs and Charges

- 12.1 Subject to specifically agreeing limited costs and charges disclosure with you in a mandate letter or other agreement, charges and expenses incurred by us will be pursuant to these Terms (including but not limited to applicable taxes and duties) are payable by you and by such payment arrangements at such times as we shall determine. Information on our costs and charges is detailed in Appendix 2. Where we have an on-going relationship with you, we will also provide you with information about the costs and charges of our services once they have been provided at least annually by way of a separate costs and charges disclosure document. Where we provide you with an aggregated costs and charges disclosure you may request an itemised breakdown from us. We will provide such breakdown to you where we are required to by Applicable Regulations or otherwise at our discretion.
- 12.2 If you are a Professional Client, we will provide you with appropriate information on our costs and charges, including information on the costs and charges in connection with our investment services and the financial instruments marketed to you and how you may pay for them, which will encompass any third party payments. However, as a Professional Client, you agree that we may, as permitted under Applicable Regulations, provide you with a more limited disclosure which may be less detailed than we would be required to provide to you in the absence of such agreement. In particular, this limited disclosure will not include:

- a) information on applicable currency conversion rates and costs, where any part of the total costs and charges is to be paid in, or represents an amount of foreign currency; or
 - b) an illustration showing the cumulative effect of costs on return.
- 12.3 If you are acting as a distributor (as separately notified to us), unless otherwise agreed you may not accept, retain, pay or provide any inducements on our behalf, in respect of our products that you may distribute from time to time.
- 12.4 You acknowledge by receipt of these terms of business that where NatWest provides ancillary services and/or manufactures financial instruments with NatWest Markets Plc, NatWest Markets Plc will share revenues received with other RBS Group entities including NatWest, The Royal Bank of Scotland plc, Ulster Bank Ireland DAC and Ulster Bank Limited to reflect the contribution these bank affiliates have made to the customer relationship, as set out in Appendix 3.

13 Inducements

- 13.1 We are required to comply with the FCA Handbook in respect of inducements. This means in summary that we can only accept or retain or pay or provide inducements (such as fees, commissions, monetary or non-monetary benefits) if they meet certain conditions. The inducement must not impair compliance of our duty to act honestly, fairly and professionally in accordance with the best interest of our clients and it must enhance the quality of the relevant service to you. We must also make disclosures about the inducement to you before we provide you with the relevant service.
- 13.2 Before we provide you with services we will disclose to you information on payments and benefits and this will include a generic description of minor non-monetary benefits. Other non-minor benefits will be priced and disclosed separately. If we cannot ascertain in advance the amount of any payment or benefit to be received or paid, we can disclose to you the method of calculating that amount and we will provide you with information on the exact amount of the payment or the benefit after it has been paid or received. We will also inform you at least once a year about the actual amount of on-going payments or benefits received in connection with the services we provide to you.

14 Regulatory Reporting

- 14.1 We may be obliged to make information about certain transactions public and/or available to a regulatory authority or third party where we are required to do so in order to comply with any Applicable Regulation, regulatory reporting requirement, or the order of any court or pursuant to any request or requirement of any governmental or regulatory authority, bank examiner or statutory auditor, whether it is disclosed by us or a third party. We may also provide such information to and between our Affiliates, or any persons or entities that provide services to the RBSG, including any head office, branches or Affiliates. You agree and consent to us providing information about your transactions in such circumstances and acknowledge that any and all proprietary rights in such transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we reasonably disclose. You also represent that you have obtained all necessary consents from your employees, beneficial owners and associated persons to our use and disclosure of their information as provided for in this clause.
- 14.2 If you are a legal entity or investment vehicle, including a company, charity or trust, you acknowledge and agree that we cannot execute any transaction with or for you (or arrange a transaction) unless you have first obtained a legal entity identifier and provided this to us. If you require any information about this, please let us know.

15 Monitoring and Recording

- 15.1 Electronic communications and telephone conversations between us may be monitored and or recorded for training purposes, internal investigations, to check instructions, for legal reasons or to meet regulatory requirements in accordance with Applicable Regulation. Those recordings may be used by us in evidence in the event of a dispute with you. A copy of the recordings of such conversations and communications between us will be available to you upon request for a period of five years and in some cases, where requested by the FCA or another relevant regulatory authority, for a period of up to seven years.

16 Your Information

- 16.1 We collect and process various categories of personal and financial information throughout your relationship with us, to allow us to provide our products and services and to run our business. This includes basic personal information such as your name and contact details, and information about your financial circumstances, your accounts and transactions. This section sets out how we may share your information with other RBSG companies and third parties.
- 16.2 For more information about how we use your personal information, the types of information we collect and process and the purposes for which we process personal information, please read our full privacy notice (our “**Privacy Notice**”) published on our website at <https://personal.natwest.com/global/privacy.html>
- 16.3 We may update our Privacy Notice from time to time, by communicating such changes to you and/or publishing the updated Privacy Notice on our website <https://personal.natwest.com/global/privacy.html> We would encourage you to visit our website regularly to stay informed of the purposes for which we process your information and your rights to control how we process it.

- 16.4 In respect of any personal information relating to a third party that you provide to us, you must:
- notify the third party that you are providing their personal information to us and obtain their permission;
 - provide the third party with a copy of our Privacy Notice and these Terms;
 - promptly notify the third party of any changes to our Privacy Notice that we notify you of; and
 - ensure that, to the best of your knowledge, the personal information is accurate and up to date, and promptly notify us if you become aware that it is incorrect.
- 16.5 Your information may be shared with and used by other RBSG companies. We will only share your information where it is necessary for us to carry out our lawful business activities, or where it is necessary to comply with laws and regulations that apply to us.
- 16.6 We will not share your information with anyone outside RBSG except:
- where we have your permission;
 - where required for your product or service;
 - where we are required by law and to law enforcement agencies, judicial bodies, government entities, tax authorities or regulatory bodies around the world;
 - with other banks and third parties where required by law to help recover funds that have entered your account as a result of a misdirected payment by such a third party;
 - with third parties providing services to us, such as market analysis and benchmarking, correspondent banking, and agents and sub-contractors acting on our behalf, such as the companies which print our account statements;
 - with other banks to help trace funds where you are a victim of suspected financial crime and you have agreed for us to do so, or where we suspect funds have entered your account as a result of a financial crime;
 - with debt collection agencies;
 - with credit reference and fraud prevention agencies;
 - with third party guarantors or other companies that provide you with benefits or services (such as insurance cover) associated with your product or service;
 - where required for a proposed sale, reorganisation, transfer, financial arrangement, asset disposal or other transaction relating to our business and/or assets held by our business;
 - in anonymised form as part of statistics or other aggregated data shared with third parties; or
 - where permitted by law, it is necessary for our legitimate interests or those of a third party, and it is not inconsistent with the purposes listed above.
- 16.7 If you ask us to, we will share information with any third party that provides you with account information or payment services. If you ask a third-party provider to provide you with account information or payment services, you're allowing that third party to access information relating to your account. We're not responsible for any such third party's use of your account information, which will be governed by their agreement with you and any privacy statement they provide to you.
- 16.8 In the event that any additional authorised users are added to your account, we may share information about the use of the account by any authorised user with all other authorised users.
- 16.9 RBS will not share your information with third parties for their own marketing purposes without your permission.
- 16.10 We may transfer your information to organisations in other countries (including to other RBS companies) on the basis that anyone to whom we pass it protects it in the same way we would and in accordance with applicable laws. We will only transfer your information if we are legally obligated to do so, or where the other country has laws that adequately protect your information, or where we have imposed contractual obligations on the recipients that require them to protect your information to the same standard as we are legally required to.

17 Conflicts of Interest

- 17.1 NatWest has in place a Conflicts of Interest Policy ("**Conflicts Policy**") which sets out how we will identify, prevent or appropriately manage actual and potential conflicts of interest ("**Conflicts**") that may arise through the provision of services to you. Below is a description of our Conflicts Policy. Further details of the Conflicts Policy are available on request.
- 17.2 We are required to take all appropriate steps to identify and to prevent or manage Conflicts where:
- the interests of NatWest (or another RBSG) conflict directly with those of its clients;
 - the interests of NatWest's employees conflict with those of NatWest's clients; or
 - the interests of two or more of NatWest's clients compete with one another.
- 17.3 Our Conflicts Policy identifies, with reference to the activities and services we provide to clients, the circumstances which constitute or may give rise to Conflicts which involve a risk of damage to the interests of one or more of our clients. It also specifies the procedures and measures that we have put in place to prevent or manage such Conflicts.

- 17.4 To ensure that the Conflicts Policy is implemented effectively we seek to continually and proactively identify situations where potential Conflicts may exist, and govern those situations to ensure fair and proper outcomes. We also employ a number of techniques to manage and mitigate Conflicts, including:
- a) using physical and electronic information barriers to control the flow of information between certain parts of the business;
 - b) separate supervision of our employees who are involved in different business activities providing services to clients whose interests may conflict;
 - c) a remuneration policy to avoid our employees being remunerated in a way that creates Conflicts;
 - d) maintaining and reviewing a Conflicts Register; and
 - e) provision of internal guidance and training to relevant employees to raise their awareness of Conflicts and how to deal with Conflicts when they arise.
- 17.5 Where Conflicts arise we will seek to ensure that they are appropriately managed. Where we do not believe that the arrangements under our Conflicts of Interest Policy to prevent or manage a particular Conflict are sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, we are required to disclose to you the nature and sources of the Conflict, as well as the risk to you that arises as a result of the Conflict and the steps taken by us to mitigate these risks. Such information will be provided in sufficient detail to enable you to take an informed decision with respect to our services.
- 17.6 You should be aware that in some circumstances appropriate management of any Conflicts and fair treatment of the relevant parties may only be achieved by our declining to enter into transactions with you.

18 Client Money and Client Assets

- 18.1 Save as expressly stated in any agreement between you and us, in the normal course of business we will not hold Client Money (as defined by the FCA Rules). Money held by us or our Affiliates in an account with us or an Affiliate on your behalf will be held as a deposit by us as banker and not as trustee (or in Scotland, as agent).
- 18.2 As a result, money relating to designated investment business will not be held in accordance with the Client Money rules of the FCA (the “**Client Money Rules**”). If we, or one of our Affiliates, were to fail or become bankrupt, the Client Money Distribution and Transfer Rules (as defined by the FCA Rules) will not apply to deposits and you will not be entitled to share any distribution under those rules.
- 18.3 There may be limited circumstances in which we do hold Client Money, for example (but not limited to) pursuant to particular contractual terms agreed between us to that effect or where Applicable Regulations require us to do so. In such cases we will provide you with the details of how we will hold Client Money separately.
- 18.4 If you have any questions relating to how your money or assets are held at any given time please contact your usual NatWest contact.

19 Exclusion of Liability/Indemnities

- 19.1 Nothing in these Terms will exclude or restrict any liability that we owe you under Applicable Regulations. Except to the extent that the same results from gross negligence, wilful default or fraud, we, our directors, officers, employees and agents shall not be liable for any loss resulting from any act or omission made under or in relation to or in connection with these Terms or the solvency, acts or omissions of any third party with whom we deal or transact business or who is appointed by us in good faith. We will make available to you, when and to the extent reasonably so requested and at your expense, details of any rights that we may have against such person.
- 19.2 If any action or proceeding is brought by or against us, against or by a third party, in relation to any transaction with or for you, you shall co-operate with us to the fullest extent possible in the prosecution or defence of such action or proceeding. Except to the extent that the same results from gross negligence, wilful default or fraud, you shall indemnify us and hold us harmless together with our Affiliates and our directors, officers, employees or agents, on a full indemnity basis from and against all actions, claims, liabilities, losses, damages and expenses of any nature arising from us dealing with you pursuant to these Terms.
- 19.3 To the extent possible under Applicable Regulations, we do not accept liability for any adverse tax implications of any transaction whatsoever.

20 Termination

- 20.1 The arrangements set out in these Terms may be terminated forthwith and without notice if:
- a) you admit to your inability to pay your debts as they fall due or enter into any scheme or arrangement with your creditors or, in the case of a company, file or have filed against you a petition for winding up, pass a resolution for winding up or have a receiver, liquidator, administrator or similar officer appointed over all or any part of your assets or undertaking or, in the case of an individual, a bankruptcy petition is presented or a trustee in bankruptcy is appointed or a protection order is made under the provisions of the Mental Health Act 1983 (or successor legislation); or
 - b) we consider it necessary or desirable, for our own protection, or to prevent what we consider is or might be a violation of any Applicable Regulation or good standard of market practice.

- 20.2 Unless specified otherwise in these Terms and in accordance with Applicable Regulations, termination will be without prejudice to the completion of any outstanding transactions and any other legal rights or obligations which may already have arisen. You agree that such termination shall not affect:
- a) any representations, warranties, undertakings or indemnities made or given by you under these Terms, each of which shall survive such termination; and
 - b) any other legal rights or obligations which have arisen prior to or upon termination (including, without limitation, where relevant in respect of any transactions which have been executed but have not yet been settled or cleared) and which remain undischarged at the point of such termination.

21 Communications

- 21.1 Save as otherwise agreed or where Applicable Regulations require otherwise, we will communicate with you, and send documents and other information to you, in English. Save as otherwise agreed or where Applicable Regulations require otherwise, you agree to communicate with us, and send documents and other information to us, in English and that we may communicate with you by post, telephone, electronic communication or (in accordance with your specific consent that has been separately provided) through our client classification process.
- 21.2 You agree to our representatives or employees making, to the extent permitted by Applicable Regulations, unsolicited telephone calls, sending electronic communications to you (whether by facsimile, electronic mail or otherwise) or making personal visits to you from time to time, in order to provide you with dealing services or for any other related purpose. Please notify us if you no longer wish to receive such communications.

22 Electronic Channels

- 22.1 From time to time we may receive from you, or send to you, communications or instructions through an electronic channel, such as an electronic trading platform ("Electronic Channel"), including instructions relating to transactions. You shall comply with any terms and conditions imposed by the provider of the applicable Electronic Channel. You agree to be bound by any communication or instruction (including any resulting transaction) originating from or purported to have originated from you over any Electronic Channel that is accompanied by valid user identification or other authentication details. We do not give any warranty or representation as to the performance or fitness for purpose of any Electronic Channel. You acknowledge and agree that Electronic Channels may be subject to interruptions, errors (including errors in any data generated thereby), malfunctions and/or delays and that we are not liable for such issues. Transaction requests that you send to us over Electronic Channels may be subject to review by us and may be rejected. These Terms do not oblige us to enter into transactions with you over any Electronic Channel and we may suspend or terminate our trading with you over any such channel at any time, with or without notice.

23 Amendment

- 23.1 We reserve the right at all times, subject to FCA and PRA Rules, to vary these Terms by written notice to you. You will be given 30 days' prior written notice in advance of any material variation taking effect, unless it is impracticable in the circumstances to give such notice.

24 Set-off

- 24.1 Without prejudice to any other rights to which we may be entitled, we may at any time and without notice to you set off any amount (whether actual or contingent, present or future) owed by you to us against any amount (whether actual or contingent, present or future) owed by us to you. For these purposes, we may ascribe a commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.

25 Notices

- 25.1 Unless we have agreed otherwise in writing, any written notice sent by post shall be sent by first class mail and will be deemed delivered three business days after posting. Any written notice sent electronically or via facsimile will be deemed delivered one business day after transmission. Proof that the notice was posted or transmitted electronically to the correct postal or electronic address/number will be sufficient proof of delivery.
- 25.2 Notices for us should be addressed to: NatWest, Client Onboarding, 2nd Floor, 250 Bishopsgate, London EC2M 4AA.
- 25.3 We shall treat your registered office address, or such other address as we hold for you, as the relevant address for the service of notice to you unless you inform us in writing of any change of address from time to time.

26 Complaints

- 26.1 A copy of our internal complaints handling procedure is available on our website at <https://www.business.natwest.com/business/natwest-business-bankingsupportcentre/contact-us/contact-us-how-to-complain.html> and on request. If you have a complaint about our services you should raise it in the first instance with your usual contact. If you are not satisfied with the response given (or if you prefer not to raise the matter with your usual contact) you may raise the matter with your relationship manager or via the <https://www.natwest.com> website.

- 26.2 If you are still not satisfied after following our complaints handling procedure, you may subsequently be eligible to complain directly to the Financial Ombudsman Service. You can find out more about the Financial Ombudsman Service by asking your usual contact or by writing to: Financial Ombudsman Service, Exchange Tower, London E14 9SR or telephone 020 7964 1000.

27 Compensation

- 27.1 As a Professional Client or ECP, you may not have the right to claim through the Financial Services Compensation Scheme (the "FSCS") for losses resulting from any default in relation to obligations owed under the FCA Handbook and the PRA Rulebook. Payments under the FSCS to clients in the United Kingdom are limited to a maximum of £50,000 for investment business. Further details are available on request and further information can be obtained from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or telephone 0800 0234567 or 020 77414100.

28 Assignment and Transfer of Business

- 28.1 You shall not be entitled to assign or transfer any of your rights or obligations under these Terms without our prior written consent. You agree that we shall be permitted to assign all of our rights under these Terms to any of our Affiliates without your consent. If our business, in whole or in part, is consolidated or amalgamated with, or merged into, or all or substantially all our assets are transferred to, another entity, you agree that we may assign or transfer our rights and, upon written notice to you, our obligations under these Terms to that entity.
- 28.2 In the event that we sell or otherwise transfer all or part of our business with you, where applicable you consent to the transfer of any Client Money sums and Custody Asset (as defined by the FCA Rules) balances held for you and relating to the business being transferred to a third party. Any Client Money sums and Custody Asset balances transferred will be held by the transferee on terms which require the transferee to return such sums or balances to you as soon as practicable at your request, and in accordance with the Client Asset Rules (as defined in the FCA Rules) or if not held in accordance with the Client Asset Rules, we will exercise all due skill, care and diligence in assessing whether the person to whom the Client Money or Custody Assets are transferred will apply adequate measures to protect these balances. In such an event, you will be notified no later than seven days after the transfer takes place.

29 Third Party Rights

- 29.1 These Terms are personal to the parties and shall not be enforceable by any third party.

30 Severability

- 30.1 Each provision of these Terms is severable and if any provision of these Terms is or becomes invalid under or contravenes Applicable Regulations, the remaining provisions shall not be affected and shall remain in full force.

31 Governing Law and Jurisdiction

- 31.1 These Terms, all transactions under or pursuant to these Terms and any matter arising out of or in connection with these Terms, including non-contractual matters, are governed by and shall be construed in accordance with the laws of England and Wales. You hereby irrevocably agree for our benefit that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes arising out of, or in connection with, these Terms and any non-contractual obligations arising out of or in connection with them. However, to the extent allowed by law, we may bring proceedings in any court in any other jurisdiction.

Appendix 1 – NatWest Risk Warnings

This statement contains a general description of the nature and risks of products which is provided to assist you in understanding the nature and risks of the service and of the product being offered so that you are in a position to take investment decisions on an informed basis.

This statement is provided for information purposes and may be amended or supplemented by additional risk disclosures from time to time.

This statement cannot disclose all the risks and other significant aspects of the investments and markets referred to herein. You should not deal in financial instruments unless you understand their nature and the extent of your exposure to risk and potential loss. Although financial instruments can be used for the management of investment risk, you should have regard to and consider carefully your own particular experience, objectives, financial circumstances and other relevant factors in entering into a product. Some products are unsuitable for many investors. If you are in any doubt, you should seek independent professional advice before entering into a product.

1 Product types

1.1 Equities

1.1.1 Shares

A share is an instrument representing a shareholder's rights in a company. One share represents a fraction of a company's share capital. When you buy or subscribe for shares issued by a company, you are buying a part of that company and you become a shareholder in it, which usually means you have the right to vote on certain issues. You can either buy new shares when the company sells them to raise money (through an initial public offering if a company is listing) or buy existing shares which (in the case of a listed company) are traded on the stock market.

The aim is for the value of your shares to grow over time as the value of the company increases in line with its profitability and growth. In addition, you may also receive a dividend, which is an income paid out of the company's profits. Longer-established companies usually pay dividends whilst growing companies tend to pay lower, or no, dividends (with these you would typically be hoping for better capital growth).

1.1.2 Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities.

1.1.3 Options

An option is a financial derivative which represents a contract sold by one party (writer of the option) to another (buyer of the option). The option buyer has the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price during a certain period of time or on a specific date.

1.2 Debt

1.2.1 Bonds/Debentures

A bond is a negotiable debt instrument which is issued by a company, government or a local authority to the lender of a loan. Generally, interest is paid to you as the lender and the amount of the loan repaid at the end of the term.

When you buy or subscribe for bonds, you become a creditor of the issuer of the bonds. The issuer might be a government or a corporate business or it may be an entity that has been formed specifically for the purposes of issuing the bonds (this is normally the case where the bonds pass through to investors the cash flows generated by specific assets, such as corporate loans, residential mortgages or credit card receivables). Bonds have a nominal value. This is the sum that will be returned to investors when the bond matures at the end of its term.

2 Types of Risk

2.1 Market Risks

2.1.1 Interest Rate Risk

The risk that investment prices will fall as interest rates rise. By buying a bond for instance, the bondholder has committed to receiving a fixed rate of return for a fixed period. Should the market interest rate rise from the date of the bond's purchase, the bond's price will fall accordingly. The bond will then be trading at a discount to reflect the lower return that an investor will make on the bond. Market interest rates are a function of several factors such as the demand for, and supply of, money in the economy, the inflation rate, the stage that the business cycle is in as well as the government's monetary and fiscal policies.

2.1.2 Inflation Risk

The risk that the rate of price increases in the economy deteriorates the returns associated with the bond. This has the greatest effect on fixed-rate inflation-linked bonds, which have a set interest rate from inception. For example, if an investor purchases a 5% fixed bond and then inflation rises to 10% a year, the bondholder will lose money on the investment because the purchasing power of the proceeds has been greatly diminished. The interest rates of floating-rate bonds may be adjusted periodically to match inflation rates, limiting investors' exposure to inflation risk.

2.1.3 Foreign Markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

2.1.4 Commodity Risk

The prices of commodities may be volatile and may fluctuate substantially if natural disasters or catastrophes such as hurricanes, fires, earthquakes, war or conflict affect the supply or production of such commodities. If any interest and/or redemption amount payable in respect of any product is linked to the price of a commodity, any change in the price of such a commodity may result in the reduction of the amount of interest and/or redemption amount payable. The reduction in the amount payable may result in some cases in a smaller sum being received on redemption of a product than the amount originally invested in such product.

2.1.5 Suspensions of Trading

A suspension of trading may occur, for example, at time of rapid price movements if the price rises or falls in one trading session to such an extent that under the rules of the relevant trading venue, trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

2.2 Liquidity Risk

Liquidity risk exists when particular instruments are difficult to purchase or sell. Liquidity risk may be attributable to a number of factors including: the particular terms and conditions of the instrument; because they are bilaterally negotiated (for instance, credit derivatives); legal, regulatory or contractual restrictions on their sale or transfer; the fact that the instrument is not publicly traded (for example, because it is not listed on an exchange); or in response to market developments or adverse investor perceptions. Liquidity risk may also arise where ownership in a particular financial instrument is concentrated in one or a small number of investors or as the result of the reduced number and capacity of traditional market participants to make a market in the relevant financial instrument. For example, in the case of securitised derivatives, the only market maker might be the issuer itself (or an affiliate of the issuer), who might provide a limited undertaking to act as market maker. Additionally, market participants may attempt to sell holdings at the same time as the investor, and there may be insufficient liquidity to accommodate these sales. These factors may exist at the time of investment or may arise subsequently. You should be aware that there is a restricted market for such investments. As a result, it might be difficult to transact in such illiquid instruments at advantageous times or prices, or at all. Also, instruments that are illiquid or that trade in lower volumes may be more difficult to value or to obtain reliable information about their value.

2.3 Credit and Default Risks

2.3.1 Credit Risk

Credit risk is the risk of loss caused by borrowers, bond obligors or issuers, guarantors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. A party's credit quality may be subject to fluctuations. Additionally, exposure to the credit risk of one or more entities which is referenced in, for example, a credit linked note (i.e. a bond which has a value based upon, and which tracks, the creditworthiness of a third party), may be substantially greater than when investing in an obligation of the reference entity itself.

2.3.2 Default Risk

Default Risk is the risk that a bond's issuer will be unable to pay the contractual interest or principal on the bond in a timely manner, or at all, for example in the event of the issuer's insolvency. Credit ratings services such as Moody's, Standard & Poor's and Fitch give credit ratings to bond issues, which help to give investors an idea of how likely it is that a payment default will occur.

2.3.3 Insolvency Risk

An issuer insolvency or default may lead to any brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

You will also be exposed to the risk of the insolvency of the issuer of an investment, for example as described in relation to equities and bonds/debentures (below), or the provider of any guarantee or assurance with respect to an investment. In the case of bonds that generate a return that is linked to the performance of a real or notional pool of underlying assets, you will be exposed to the risk of insolvency events relating to those assets and/or service providers (for example, custodians) with respect to such assets.

2.3.4 Bail-In Risk

This is the risk that the financial instruments of certain issuers, including banking institutions, building societies, investment firms and certain banking group companies, may be subject to action taken by governmental, banking and/or other regulatory authorities, for example to address banking crises pre-emptively, whether or not the express terms of such financial instruments anticipate such action. The relevant authorities may have broad discretion on the action they may take and their powers may be extended in response to particular events. Examples of the action they may be able to take could include the following:

- The reduction, including to zero, of the principal of the bonds/debentures of such issuers;
- The conversion of such bonds/debentures into equities or other instruments of ownership (resulting in the dilution of ownership interests of existing shareholders);
- The variation of the terms, including with respect to maturity and/or the payment of interest, of such bonds/debentures; and
- Shareholders being divested of their shares.

3 Product-specific risks

3.1 Equities

3.1.1 Shares

Under normal circumstances, a shareholder in a company has no right to require that company to return capital to it. Unless the company chooses to return capital to the shareholder (for example by effecting a share buy-back) or the shares carry redemption rights exercisable by the shareholder (which is normally not the case), the shareholder's only way to realise its investment will be to sell the shares to another investor. Consequently, a shareholder's return from investing in the equity will depend to a large extent on the market price of the equities at the time of the sale.

The market price of an equity is affected by the supply of and demand for that equity within the market. In turn, supply and demand (and therefore the volatility of the share price) are affected by a number of factors including:

- **domestic versus international factors** – the vulnerability of the company to international events or market factors which would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets;
- **sector specific factors** – these would include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology; and
- **company specific factors** – these would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.

The level of a stock market goes up or down as the prices of the shares that are the constituents of that market go up or down. The main factor determining the price of a share is the perception of its current value to its owner.

One factor that could affect the price of a share is a change in opinion as to how well the company itself is performing or could perform in the future. This opinion is frequently based on predictions about the economic conditions in which a company is operating, which is why it might seem that stock markets go up or down depending on economic conditions.

Shares are generally a fairly volatile asset class – their value tends to go up and down more than other classes such as bonds. If you are investing in shares you should expect the value of your investment to go down as well as up, and you should be comfortable with this. Holding shares is high risk – if you have put all your money into one company and that company becomes insolvent then you will probably lose most, if not all, of your money.

In the short term, shares may go up and down in value and this can occasionally be very significant. However, if you have a wide range of shares, you reduce the likelihood of losing all or most of your money.

The liquidity of the shares may be affected by whether the shares are listed or unlisted. Where shares are unlisted it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale).

Shareholders are also exposed to Insolvency Risk.

As a shareholder in the company, you could lose some or all of the money that you have invested in the shares.

3.2 Debt

3.2.1 Bonds/Debentures

Although bonds have a nominal value, because bonds are traded on the bond market, the price you pay for a bond may be more or less than the nominal value. There are several reasons why the price might vary from the nominal value, for example: if a bond is issued with a fixed interest rate of, say, 8% and general interest rates then fall well below 8%, then 8% will look like a good yield and the market price of the bond will tend to rise above the nominal value;

- the reverse is also true. If interest rates rise, the fixed rate of a particular bond might become less attractive and its price could fall below the nominal value;
- ratings agencies might take the view that a particular company's bond no longer qualifies for a high rating – perhaps the company is not doing as well as it was when the bond was issued. If this happens then the market price of the bond might fall. On the other hand, the company's rating may be improved leading to a price rise; or
- the inflation rate might start to creep up and the interest rate on some bonds might start to look less attractive compared with other investments.

The risks associated with investing in bonds include:

- **Interest Rate Risk, Inflation Risk and Default Risk.**
- **Call Risk** (in relation to callable bonds) – is the risk that a bond will be called by its issuer. Callable bonds have call provisions, which allow the bond issuer to purchase the bond back from the bondholders and retire the issue. This is usually done when interest rates have fallen substantially since the issue date. Call provisions allow the issuer to retire the old, high-rate bonds and sell low-rate bonds in a bid to lower debt costs.

Bonds can be bought and sold in the market (like shares) and their price can vary from day to day. A rise or fall in the market price of a bond does not affect what you would get back if you hold the bond until it matures. You will only get back the nominal value of the bond (plus any coupon payment to which you have been entitled during your ownership of the bond), irrespective of what you paid for it. Fixed rate transferable securities with longer maturities/lower coupons tend to be more sensitive to interest rate movements than those with shorter maturities/higher coupons (short-term debt securities are sometimes known as debentures rather than bonds).

For some bonds there may be a restricted market and it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale).

Some bonds generate a return that is linked to the performance of a real or notional pool of underlying assets. In such circumstances, the return you receive will depend upon the performance of the underlying pool.

As a bondholder you could lose some or (in extreme cases) all of the money that you have invested in the bonds that you hold.

Appendix 2 – NatWest MiFID II Costs and Charges

MiFID II pre-trade cost and charges information

This webpage provides you with information about the expected costs and charges associated with the ancillary services NatWest provide to you and the financial instrument(s) traded with you and/or manufactured by us. It is not marketing material or investment advice and is for information purposes only. The information is required by law pursuant to the provisions of MiFID II² and the FCA rules and is limited to the provision of ancillary services or financial instruments to you by NatWest from the European Economic Area (the EEA).

The range of costs and charges set out herein are based on actual costs previously incurred, unless this information is not available. Where this information is not available, we make reasonable estimations of these costs. As the expected costs and charges are only an estimate, the amount you have to pay might be different to the amounts set out herein. This information is provided on the basis that where you are a Professional Client or Eligible Counterparty (as defined under MiFID II), and that you have agreed to limited disclosure of information on costs and charges pursuant to MiFID II and the FCA rules in accordance with our Terms of Business/Contractual Terms.

New Bond issuance ex-ante MiFID II cost and charges disclosure

The table below provides an indication of the ranges of fees, where NatWest co-manufactures financial instruments with NatWest Markets Plc, that NatWest Markets Plc typically charge issuer clients for underwriting and distributing new bond issuances in the EEA.

Product	Fees (% of Notional)	
	Min.	Max.
Corporate Hybrid	0.35%	1.00%
Corporate Senior	0.10%	0.75%
Financial Institution Hybrid	0.25%	1.50%
Financial Institution Senior	0.05%	0.75%
High Yield	0.25%	1.75%
Frequent Borrower Group (FBG)	0.05%	0.50%
Asset Backed Securities (ABS)	0.05%	1.50%

²Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

Please note:

- Fee indications for products not listed above are available on request. Please ask your normal NatWest contact for more information. The above ranges apply to benchmark sized bond issues. Sub-benchmark bond issues may require fees outside this range.
- Some transactions may require fees that are outside of these ranges and the table should be used as a guide only.

We reserve the right to amend this information at any time. This information does not constitute or form part of any offer to sell or issue any financial instrument or an offer or solicitation to buy a financial instrument. We accept no liability for this information other than to the extent provided in our Terms of Business/Contractual Terms.

Appendix 3 – NatWest commercial arrangements within the RBS Group

We are providing this disclosure in accordance with MiFID II (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU) and the FCA's Conduct of Business Rules.

Where NatWest provides ancillary services and/or co manufactures financial instruments with NatWest Markets Plc they may receive certain payments from NatWest Markets Plc. Accordingly for certain investment services and financial instruments, NatWest Markets Plc will share revenues received from certain customers with other RBS Group Affiliates³ to reflect the contribution these Affiliates have made to the customer relationship. Such revenues are shared with on the basis set out below:

	Affiliate Rev Share %
Rates	10%
Foreign Exchange [^]	10%
DCM – Bonds/Medium Term Notes	50%
DCM – Loans (including High Yield Bonds) & Private Placements	50%

³These include National Westminster Bank Plc, The Royal Bank of Scotland plc, Ulster Bank Ireland DAC and Ulster Bank Limited.

[^]Spot, forwards, options and international payments related.

A disclosure of the exact amount of revenue received by Affiliates will be made directly to customers as required.

We reserve the right to amend this information at any time. This information does not constitute or form part of any offer to sell or issue any financial instrument or an offer or solicitation to buy a financial instrument. We accept no liability for this information other than to the extent provided in our Terms of Business/Contractual Terms.

National Westminster Bank Plc. Incorporated and registered in England and Wales No. 929027 with limited liability.
Registered Office: 250 Bishopsgate, London EC2M 4AA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

NatWest Markets Plc. Incorporated and registered in Scotland No. 90312 with limited liability.
Registered Office: 36 St Andrew Square, Edinburgh EH2 2YB. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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