Final Term Sheet – Private Placement

June 2020

1Y EUR CLN on Republic of Italy

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The Notes are linked to a Single Reference Entity. The Issuer and the Noteholders acknowledge and agree that the Notes contemplate that there may be a Credit Event with respect of the Reference Entity and accordingly that following a Credit Event Notice the Notes will redeem early. The occurrence of a Credit Event will result in principal and interest losses under the Notes. Noteholders should be aware that they may lose a significant amount or all of their investment in the Notes following a Credit Event or on early redemption of the Notes. The terms detailed below are a summary of the transaction terms and conditions and are subject to and should be read in conjunction with the Programme Document and the Final Terms for the issue of the Notes. Issuance of the Notes is subject to internal NWM Legal and Risk approval.

By agreeing to purchase the Notes, the Noteholder affirms and represents that it has (a) the financial status, knowledge and experience in financial matters to evaluate the merits and risks of the Notes and (b) both the legal and financial capacity and authority to purchase the Notes.

Product Description

1 year EUR denominated Credit Linked Note issued further to the terms of the Natwest Markets plc Structured Note Programme and dependent on whether **Republic of Italy** (the "Reference Entity") experiences a Credit Event. The objective of the Note is to deliver a return on the Nominal Amount of **0.20% p.a.**

1. GENERAL TERMS	
Issuer	Natwest Markets plc ("NWM") pursuant to its $7bn Structured Note Programme (the "Programme").
Type of Notes	Single Name Credit Linked Notes
Nominal Amount	EUR 20,000,000
Issue Price	100% of the Nominal Amount
Trade Date	26 June 2020
Issue Date	03 July 2020
ISIN	XS2198987039
Maturity Date	20 June 2021 (the "**Scheduled Maturity Date**"), subject to Early Redemption, provided that if an Event Determination Date has occurred and not been reversed on or prior to the Scheduled Maturity Date or a Maturity

	Date Extension occurs, the Maturity Date will be the Auction Credit Event Redemption Date (or, if applicable, the date determined in accordance with the Fallback Settlement Method) or the date referred to in paragraph (b) of "Maturity Date Extension" below.
Maturity Date Extension	If on the Scheduled Maturity Date the Calculation Agent determines that, on or prior to such date, a Credit Event may have occurred, the Calculation Agent shall notify the Noteholders that the Notes will not be redeemed on the Scheduled Maturity Date. In such circumstances: (a) if an Event Determination Date occurs on or prior to the Observation Cut-Off Date and is not reversed, the Notes will be redeemed in accordance with the Settlement Method or, if applicable, the Fallback Settlement Method; or (b) if an Event Determination Date does not occur on or prior to the Observation Cut-Off Date or an Event Determination Date is reversed, the Notes will be redeemed at the Final Redemption Amount no later than the second Business Day following the Observation Cut-Off Date.
Relevant DC	The ISDA Credit Derivatives Determinations Committee of the relevant region which is convened to resolve if and when a Credit Event has occurred. The Calculation Agent may take into account any requests made of, or any resolutions made by, a Relevant DC if it considers them relevant to the Notes or any hedge that the Issuer has or may enter into in connection with the Notes.
Observation Cut-off Date	The last day of the Notice Delivery Period, provided that if a Credit Event Resolution Request Date occurs prior to the last day of the Notice Delivery Period, the Observation Cut-off Date will be the date which is 14 calendar days after either (i) the date on which the Relevant DC announces the occurrence of the Credit Event or (ii) the date on which the Relevant DC resolves not to determine the occurrence of the Credit Event.
Final Redemption Amount	The Nominal Amount (subject to "Redemption Following a Credit Event" below)
Interest Amount	In respect of each Interest Period from Interest Commencement Date until (but excluding) Maturity Date, the product of (i) the Nominal Amount, (ii) the Day Count Fraction in respect of such Interest Period and (iii) the Rate of Interest in respect of such Interest Period.
Accrual of Interest upon Credit Event	Not Applicable
Rate of Interest	On any Interest Payment Date: **0.20 per cent per annum**
Interest Payment Dates	20 June 2021 (subject to adjustment in accordance with the Business Day Convention) and ending on the Maturity Date. No interest shall accrue following the occurrence of an Event Determination Date and, with the exception of the payment of the relevant Interest Amount on the Maturity Date, no further amounts in respect of interest shall be payable on the Notes thereafter.
Interest Period	The period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and, thereafter, from one Interest Payment Date to (but excluding) the next following Interest Payment Date.
Interest Commencement Date	Issue Date
Day Count Fraction	30/360
Business Days	Target2
Business Day Convention	Modified Following
2. REDEMPTION FOLLOWING A CREDIT EVENT	
Settlement Method	Auction Settlement

Fallback Settlement Method	Cash Settlement
Auction Settlement	Unless the Fallback Settlement Method applies as described in "Cash Settlement Fallback" below, if an Event Determination Date occurs on or prior to the Scheduled Maturity Date or, if applicable, the Observation Cut-Off Date, an Auction Final Price is determined in an Applicable Auction held by ISDA and the related Event Determination Date has not been reversed on or prior to the date on which the Auction Final Price is determined, then the Issuer shall give notice to the Noteholders and redeem the Notes on the Auction Credit Event Redemption Date in an aggregate amount equal to the Auction Credit Event Redemption Amount.
Applicable Auction	The auction held by ISDA in respect of a Credit Event affecting the Reference Entity in accordance with the relevant auction settlement terms agreed by the Relevant DC which the Calculation Agent in good faith determines is relevant to a Credit Event.
Auction Final Price	The price (expressed as a percentage) determined pursuant to the Applicable Auction.
Auction Credit Event Redemption Amount	The (outstanding Nominal Amount * Auction Final Price) MINUS Unwind Costs (subject to a minimum of zero)
Auction Credit Event Redemption Date	5 Business Days after the later of (i) the date on which the Auction Final Price is determined in accordance with the relevant auction settlement terms published by ISDA, and (ii) the date on which the Issuer sends the notice of redemption following determination of the Auction Final Price. The Issuer shall send such notice as soon as reasonably practicable following the determination of the Auction Final Price.
Unwind Costs	An amount determined by the Calculation Agent (which may be positive or negative) equal to the sum of (i) any cost that would be incurred by the Swap Counterparty in unwinding the swaps (including, but not limited to, any credit, interest rate or currency swap) and deposit embedded within the Notes and (ii) without duplication all costs, fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge (including, but not limited to, any credit, interest rate or currency hedge) or related trading position, provided that there shall be no Unwind Costs relating to credit hedges in respect of any redemption following a Credit Event.
Notice Delivery Period	The period from and including the Trade Date to and including the second Business Day following the date which is 14 days later to occur of the Scheduled Maturity Date and the Extension Date
Extension Date	If a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, the date that is 60 days after the date of such Potential Repudiation/Moratorium, or if later in respect of an Obligation which is a Bond, the first payment date under such Bond after the date of the Potential Repudiation/Moratorium (or the date of expiry of the applicable grace period, if later) (this is the **Repudiation/Moratorium Extension Date**).
Event Determination Date	(i) If the DC Resolution Conditions have not been satisfied, then provided the DC has not announced that no Credit Event has occurred, the Event Determination Date shall be the first date on which the Calculation Agent determines that a Credit Event Notice and Notice of Publicly Available Information is delivered by the Calculation Agent to the Issuer and is effective during the Notice Delivery Period; or (ii) If the DC Resolution Conditions are satisfied, the Event Determination Date shall be the Credit Event Resolution Request Date.
Credit Event Resolution Request Date	The date on which a request is made for the Relevant DC to resolve whether and when a Credit Event has occurred, as published by ISDA.
DC Credit Event Announcement	ISDA publicly announces (including prior to the Trade Date) that the Relevant DC has resolved that an event that constitutes a Credit Event has occurred on or prior to the Scheduled Maturity Date or if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, the Repudiation/Moratorium Extension Date, if later
DC Resolution Conditions	The Calculation Agent determines that the following conditions have been satisfied: (i) a DC Credit Event Announcement has occurred; and

	(ii) the Credit Event Resolution Request Date occurs on or prior to the last day of the Notice Delivery Period.
Credit Event Backstop Date	60 days prior to the Credit Event Resolution Request Date or first date on which the Credit Event Notice and Notice of Publicly Available Information are effective, as applicable, or as further described in the Conditions.
Reference Entity	**Republic of Italy** and any Successor(s) thereto
Reference Obligation	Standard Reference Obligation
Physical Settlement Matrix	The most recent "Credit Derivatives Physical Settlement Matrix" as published by the International Swaps and Derivatives Association Inc. on its website at www.isda.org as at the Trade Date.
Transaction Type	Standard Western European Sovereign
Credit Events	With respect to each Reference Entity, such Credit Events as are specified under the Transaction Type applicable to such Reference Entity under the Physical Settlement Matrix.
Obligations	(i) The Reference Obligation; or (ii) any obligation of a Reference Entity (either directly, or as provider of a Qualifying Guarantee) that satisfies the Obligation Category and Obligation Characteristics as are specified under the Transaction Type applicable to such Reference Entity under the Physical Settlement Matrix.
Cash Settlement Fallback	If the Calculation Agent determines that an Event Determination Date has occurred and not been reversed prior to the Valuation Date and any of the following circumstances has arisen: (i) any proposed ISDA auction has been cancelled or otherwise will not take place with respect to the Reference Entity (ii) ISDA has publicly announced that a Relevant DC has resolved not to determine whether or not an event constitutes a Credit Event or (iii) an Event Determination Date was determined pursuant to sub-paragraph (i) of the definition of Event Determination Date and no relevant Credit Event Resolution Request Date has occurred within three Business Days of such Event Determination Date, the Issuer shall settle the Notes in accordance with the Fallback Settlement Method. In such circumstances, the Issuer shall give notice to the Noteholders and redeem all but not some only of the Notes on the Credit Event Redemption Date in an aggregate amount equal to the Credit Event Redemption Amount (such settlement, "**Cash Settlement**").
Valuation Obligations	With respect to the Reference Entity: (i) the Reference Obligation; (ii) any obligation that satisfies the Deliverable Obligation Category and Deliverable Obligation Characteristics specified under the Transaction Type applicable to such Reference Entity under the Physical Settlement Matrix, as selected by the Calculation Agent in its sole and absolute discretion; and (iii) solely in relation to a Restructuring Credit Event, any Sovereign Restructured Deliverable Obligation;
Final Price	The price of the Valuation Obligation expressed as a percentage determined in accordance with the Valuation Method.
Credit Event Redemption Amount	The (outstanding Nominal Amount * Final Price) MINUS Unwind Costs (subject to a minimum of zero)
Credit Event Redemption Date	5 Business Days after either the date on which the Final Price is calculated.
Valuation Date	A single date selected by the Calculation Agent in its sole and absolute discretion, up to 125 Business Days after the date on which the Conditions to Settlement have been satisfied or, if later, the date on which a relevant ISDA auction is cancelled or ISDA announces that no auction will take place.

Quotation Method	Bid
Quotation Amount	An amount selected by the Calculation Agent, not exceeding the Nominal Amount.
Quotations	Exclude Accrued Interest
Valuation Method	Highest
3. OTHER TERMS	
Calculation Agent	Natwest Markets plc
Swap Counterparty	Natwest Markets plc
Early Redemption	The Notes may redeem early at the Early Redemption Amount upon the occurrence of one of the following events: (a) an event of default under the Notes, which for the avoidance of doubt does not include a Credit Event, or (b) illegality or (c) taxation reasons
Early Redemption Amount	Where an Early Redemption occurs, the Early Redemption Amount shall be: The outstanding Nominal Amount of the Notes plus all accrued but unpaid interest thereon to (but excluding) the actual date of payment, minus any Unwind Costs.
Listing	Unlisted
Rating	None
Documentation	Pricing Supplement issued pursuant to the Issuer's $7,000,000,000 Structured Note Programme in accordance with the conditions of the Notes (the "Conditions") as contained in the programme dated on or around 24 February 2020 (as supplemented from time to time)(the **"Programme Document"**). Capitalised terms used in this term sheet and not otherwise defined shall have the meaning given to them in the Programme Document.
Form and Denomination of Notes	Bearer Notes in denominations of EUR 100,000
Status of the Notes	Senior, unsecured obligations of the Issuer
No Recourse	The Noteholders shall have no direct rights or legal recourse against the Reference Entity, and no security interest over the Reference Obligation.
Governing Law	English
Selling Restrictions:	The Notes may not be offered or sold in any jurisdiction other than in compliance with applicable laws and regulations. The Issuer makes no representation that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.
Prohibition of Sales to Retail Investors:	The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). No PRIIPs key information document (KID) has been or will be prepared.
Fee Disclosure	In connection with the offer and sale of the Securities to a distributor, the distributor may acquire the Securities from NWM at a price which may be at discount to the Issue Price. NWM grants its distributor(s) a discount on the Issue Price of up to 0.30% Further information on the fees is available from the Issuer or the distributor upon the investor's written request. If under any applicable laws or regulations (including, if applicable, the Markets in Financial Instruments Directive (MIFID), a distributor is required to disclose to prospective investors in the Notes further information on any remuneration that NWM pays to, or receives from, such interested party in respect of the Notes, the interested party shall be responsible for compliance with such laws and regulations and investors may request such further information from the interested party. In addition, NWM may provide further information to its own clients upon

	request
Target Market Assessment	Manufacturer target market (MIFID II product governance) is Eligible Counterparties and Professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.
Relevant Risks	Prospective investors should refer to the section of the Programme Document entitled "RISK FACTORS" which contains factors that may affect the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

REPRESENTATIONS

By purchasing the Note, you are deemed to have agreed and acknowledged (and if you are acting as an agent, trustee or authorised representative of your clients, you, your principal, your beneficiary and your clients are deemed to have agreed and acknowledged) that:

(a) ***You will not (or if you are acting as an agent, trustee or authorised representative for your clients, you, your principal, your beneficiary and your clients will not) take action that would, or is intended to, permit a public offer of the Note(s) in any country or jurisdiction;***

(b) ***You have not relied and will not at any time rely (or if you are acting as an agent, trustee or authorised representative for your clients, you, your principal, your beneficiary and your clients have not relied and will not at any time rely) on the Issuer or any other member of the Issuer group of companies in connection with its determination as to the legality, suitability, or the associated merits or risks of its purchase of the Note;***

(c) ***You have not (or if you are acting as an agent, trustee or authorised representative for your clients, you, your principal, your beneficiary and your clients have not) relied on any communication from the Issuer group of companies (written or oral) in respect of the purchase of the Note;***

(d) ***you will not (or if you are acting as an agent, trustee or authorised representative for your clients, you, your principal, your beneficiary and your clients will not), directly on indirectly, offer or sell, or procure or induce or attempt to procure or induce the offer, sale or purchase of, the Note or any interest in the Note unless the amount of Note or any interest in the Note offered or sold to or purchased by each purchaser is equal to or above the higher of the Denomination and the Minimum Purchase (if any) stated above; and***

(e) ***None of the Issuer, the Issuer group of companies, nor their affiliates is acting as a fiduciary or an adviser to it in respect of the Note.***

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If you enter into an OTC Derivative transaction and decide to close out the transaction, or the transaction otherwise terminates before its scheduled termination date, you may have to pay break costs. These will be calculated by reference to prevailing market conditions and include any costs incurred by NatWest Markets in terminating any related financial instrument or trading position. Please note that such break costs can be substantial. If you enter into an OTC Derivative transaction for the purposes of hedging a loan or other debt and you subsequently wish to repay the debt (whether through refinancing or otherwise), you should be aware that it may be necessary for NatWest Markets to terminate the hedging transaction before its scheduled termination date and satisfy any liabilities that you may have to it with respect to such transaction (including break costs) before NatWest Markets will release any related security that you have provided to it.

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Appendix

Details of NatWest Market plc's Target Market Assessment for **Credit Linked Notes (CLN)** is as per below:

Product Complexity	1 - Medium		Baseline Knowledge and Experience requirement for compatible customer	1 - Medium (or higher)	
	2 - Medium to High	✓		2 - Medium to High (or higher)	✓
	3 - High			3 - High (or higher)	

NatWest Market's Target Market for this product group is :			✓	×
Criteria		Target Market Criteria	Groups 1 - 3* (ex. Individuals)	Group 4** and individuals
Client's Objectives & Needs	**Objectives**	Hedging		
		Investment	✓	
		Speculative		
		Funding		
	ime Horizo	Short		
		Medium		
		Long		
		Product Duration	✓	
	Liquidity	Requires the possibility to exit the investment early		
		Willing to hold the investment until its maturity	✓	
Risk Tolerance (What client is willing to risk)		Compatible with Higher Risk Investment (investor is willing to accept the risk of losses up to or exceeding the investment or initial amount)	✓	
		Compatible with a PRIIPS SRI 7		
		Compatible with Lower Risk Investment (investor is not willing to accept any significant loss of the investment or initial amount)		
Financial Situation (What client is able to risk)		Investors with no ability to sustain any loss of their investment or initial amount (0%)		
		Investors who are able to sustain a loss of up to their entire investment or initial amount (0-100%)	✓	
		Investors who are able to sustain losses exceeding their investment or initial amount		
KID Required				
Distribution Chanel (Strategy)	**Via Distributor** (NWM doesn't sell direct to end investor)	All Distribution Channels	✓	

*Groups 1 and 2 refer to Specified Investors under the FIEL. Group 3 refers to General Investors under the FIEL who are allowed to switch to Specified Investors.

**Group 4 refers to General Investors under the FIEL who are not within Group 3.