



NatWest Markets

DISCLOSURE UPDATE

In line with our commitment to transparency and disclosure, NatWest Markets Plc (“**NatWest Markets**”) would like to highlight certain points on pricing, use of your information and the way in which NatWest Markets carries out orders and transactions.

This disclosure supplements any other disclosures or agreements regarding such matters as NatWest Markets may provide to or agree with you including the NatWest Markets Terms of Business, if applicable (the “**Terms**”), any master agreement for financial transactions between a client and NatWest Markets (including but not limited to any ISDA Master Agreement), NatWest Markets’ general disclosures as a swap dealer, the risk disclosures (or such other disclosures as may be advised by NatWest Markets from time to time), adherence of parties to industry protocols or entry by parties into bilateral agreements which are for the purposes of implementing the requirements of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (EMIR), and the disclosures required under Article 38 and 39 thereof, as well as adherence of parties, as applicable, to the provisions of Section 2.15 of the Supplement to ISDA August 2012 Dodd-Frank Protocol. NatWest Markets will be keeping its Terms and its disclosure under review and may communicate disclosure updates on the NatWest Markets website from time to time. The NatWest Markets disclosure page can be found at www.natwestmarkets.com. Nothing in this disclosure is intended to conflict with or override any relevant law or regulatory rule or requirement in any jurisdiction in which NatWest Markets or an affiliated entity of NatWest Markets operates. This disclosure is based on NatWest Markets’ internal practices and procedures as well as published market codes, applicable laws, rules and regulations.

NatWest Markets provides a full range of services across products to a broad range of clients, including client coverage, providing liquidity to facilitate client trading, structuring and product development, electronic trading facilities, research and strategy and credit intermediation services.

NatWest Markets engages as a principal in price quoting, order taking, trade execution and other related activities.

To the extent that you enter into an agreement or transactions with us and except as otherwise expressly agreed between NatWest Markets and you or otherwise required by law or regulation, it will be on the basis of the terms disclosed in this letter.

Principal Trading

- When NatWest Markets acts in a principal capacity, we act as an arm’s length party to transactions with our clients. NatWest Markets does not act as agent, fiduciary, financial advisor or in any similar capacity on behalf of a client and thus does not undertake any of the duties that an entity acting in that capacity ordinarily would perform, unless otherwise explicitly agreed between NatWest Markets and the client. NatWest Markets’ sales and trading personnel and electronic solutions do not serve as brokers or agents to a client.
- Any statements provided to you should not be construed as investment advice. A client is expected to evaluate the appropriateness of any transaction based on the client’s own assessment of the transaction’s merits and all facts and circumstances in connection therewith.
- Unless otherwise specifically agreed, NatWest Markets will decide, in its discretion, whether to work

an order, when to execute them and how to execute them, including whether to execute all or part of the order unless we have otherwise expressly agreed to different terms of execution.

- During periods of volatile markets, NatWest Markets endeavours to continue to serve our clients but we may not be able to provide the product offering, level of execution, liquidity or pricing as would be the case under more normalised market conditions.

Market Maker

- Where we act as a market maker, NatWest Markets may trade prior to or alongside a client's transaction to execute transactions for NatWest Markets, to facilitate executions with other clients, to manage risk, to source liquidity or for other reasons. These activities can have an impact on the prices we offer clients on a transaction and the availability of liquidity at levels necessary to execute counterparty orders. They also can trigger stop loss orders, barriers, knock-outs, knock-ins and similar conditions. In conducting these activities, NatWest Markets endeavours to avoid undue market impact.
- In addition, NatWest Markets may receive requests for quotations and multiple orders for the same or related products. NatWest Markets retains discretion with respect to how to satisfy clients' orders and transactions, including with respect to order execution, aggregation, priority and pricing. NatWest Markets is not required to disclose to a client when the client attempts to leave an order that NatWest Markets is handling other clients' orders or NatWest Markets orders ahead of, or at the same time as, or on an aggregated basis with, the client's order. NatWest Markets is under no obligation to disclose to a client why NatWest Markets is unable to execute the client's order in whole or in part.

Client Orders

- Whenever a client looks to enter into a transaction with NatWest Markets, NatWest Markets may continue to establish, maintain, modify and terminate positions for its own account in the same products or currencies in which its clients trade. This is to put NatWest Markets in a position to be able to meet projected client demand or to address market movements, acting in reliance on the assessment of its employees and other generally available market data sources.
- NatWest Markets will use its professional judgement based on available market information to determine whether a limit for a limit order has been reached. If and when your order can be executed at the limit price, it does not mean that NatWest Markets held, acquired, or would acquire, inventory to complete the transaction at the order price level or that there exists a tradable market at that level.
- NatWest Markets will use its access to liquidity channels (i.e. places where transactions can be effected easily with little impact on the price) to attempt to execute the full size of your transaction given prevailing market conditions and your instructions. NatWest Markets will assume that partial fills are acceptable unless we have mutually agreed with you otherwise. A partial fill occurs where NatWest Markets is unable to satisfy the whole of your transaction and hence only provides you with a part of your requested transaction.
- NatWest Markets' undertaking to work your order does not create a contract between you and NatWest Markets that commits NatWest Markets to execute any or all of the order in any particular way, nor is it a contract that binds you to execute the trade with NatWest Markets at the order price.
- Market volatility may result in the price of a product moving significantly from the time of receipt of your order to the time of order execution. NatWest Markets will (at its discretion) attempt to reflect such price movements, whether positive or negative, in the price provided to you.

Pricing

- NatWest Markets would like to highlight certain elements of the way that we handle, execute and price orders and transactions.

- Unless otherwise disclosed, NatWest Markets will generally provide you with a single “all-in” price which will comprise the following elements: Trader Price, any Sales Margin applied and any Other Charges (all as defined below).
- The Trader Price of the product is determined taking into consideration market-driven and trade specific factors and may include, but are not limited to, factors such as:
 - i. Market price and activity (including liquidity, volatility and market behaviour)
 - ii. Trade parameters (including notional and tenor)
 - iii. Trading objectives (including market view and the trading desk’s current position in that instrument (or similar instruments))
- The Sales Margin charged by NatWest Markets, which we will seek to ensure is competitive, is determined taking into consideration a variety of client specific factors, which may include, but are not limited to:
 - i. Client trading volumes
 - ii. Overall service provided to the client by the sales team and other support services
 - iii. Value of entire client business to the businesses within the RBS group of companies
- Other Charges may include, but are not limited to, factors such as:
 - i. Trading operational costs (including transactional costs, venue fees and brokerage charges and commissions)
 - ii. The credit risk that NatWest Markets will take on when transacting
 - iii. The cost of capital NatWest Markets incurs as a result of the transaction
 - iv. The funding charges that NatWest Markets incurs as a result of the transaction
 - v. Terms of any credit support documentation such as the ISDA Credit Support Annex (if relevant) or any additional termination events or agreed break clauses.
- For certain order types in certain products, the incorporation of Sales Margin by NatWest Markets may impact the price at which the order is executed.
- For products such as FX Spot and FX Forwards, NatWest Markets has established margin ranges for Sales Margin based on client trading volumes on a per product basis. The margin range tables are available to view at [FX Margin Range Disclosure](#). These may be amended and updated from time to time and we would encourage you to check the web link frequently for additional information.
- As principal, NatWest Markets endeavours to make an appropriate return on the transaction if possible, taking into account NatWest Markets’ position, including its inventory strategy and overall risk management strategies in NatWest Markets’ discretion.
- Unless otherwise prohibited by applicable law or regulation, we may engage in hedging or other positioning activity for our own account or on behalf of issuer or investor clients before or 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. This may require NatWest Markets to execute trades in this instrument and related instruments. Such activity may detrimentally affect the price you receive or whether a barrier or level that has been specified has been reached. Any profits derived from these trades will be retained by NatWest Markets.

Client and NatWest Markets Information

- NatWest Markets takes protection of your information very seriously and aims to ensure that information is not disseminated more widely than necessary. NatWest Markets has policies and controls that are designed to protect clients’ information. However, you should be aware that it is necessary for NatWest Markets to (i) share certain information internally on a need to know basis in order to manage NatWest Markets’ business, including for the benefit of NatWest Markets’ trading positions and the handling of other client transactions; (ii) provide such information to third parties, in order to facilitate the execution of your transactions; (iii) disclose information where

requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body; and (iv) share information as necessary to fulfil its duties to supervise and control its business; and (v) disclose information to tax authorities or auditors as necessary. You should also be aware that NatWest Markets takes the protection of its own information seriously and expects you to take steps to ensure that information provided to you by NatWest Markets is treated as confidential.

- Where you place an order with NatWest Markets (for example, an order of a large notional size or in a currency or product whose liquidity may be limited), NatWest Markets may need to determine pricing by obtaining liquidity internally from a NatWest Markets trading desk or by entering into one or more transactions with third parties prior to executing your order. In addition, NatWest Markets actively manages the risks associated with potential transactions (including market, liquidity and credit risks) in accordance with its internal risk management policies and may need to execute one or more risk mitigating transactions prior to executing your order. Accessing liquidity or risk mitigation may require, among other things, the sharing of terms relating to your order internally in order to establish the price of a transaction or for the purposes of managing the risk of that transaction (risk mitigation or risk management is concerned with the reduction in the extent of exposure to a risk and/or the likelihood of its occurrence).
- As part of the provision of services to clients and for internal purposes, NatWest Markets is involved in collating market data in the markets in which it operates. This can involve looking at a number of factors and data sources including economic and political developments, jurisdictional issues, trading patterns and pricing. The factors and data sources are distilled into what is generally described as “market colour”. One source of data which NatWest Markets uses when determining market colour is anonymised (i.e. with all information that could identify a client removed) executed orders and transactions on an aggregated basis. Market colour may be used by NatWest Markets to structure products and services for its clients and also shared with clients and internal NatWest Markets trading desks that may or may not act on the basis of the information provided. It is possible that NatWest Markets could have positions that are the same, similar, different or opposite from those of clients.
- NatWest Markets may receive rebates or other pecuniary benefits from third party infrastructure providers such as exchanges and clearing houses. These are based on aggregated or overall levels of trading or activity and are not specific to any one client. We will not receive such payments or benefits unless we are satisfied that doing so will not impair compliance with applicable regulations or be detrimental to our clients in any way, and we will provide you with further details on such arrangements, should you request such information.

*FX Forwards, for these purposes, covers deliverable and non-deliverable transactions including “Outrights” (an agreement to exchange one currency for another for settlement on a specified future date) and “FX Swaps” (two Outright contracts in opposite directions on different settlement dates).

NatWest Markets Plc 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.

NatWest Markets N.V. is authorised and regulated by De Nederlandsche Bank and the Autoriteit Financiële Markten. It has its seat at Amsterdam, the Netherlands, and is registered in the Commercial Register under number 33002587. Registered Office: Claude Debussylaan 94, Amsterdam, The Netherlands. NatWest Markets N.V. Branch Reg. No. in England BR001029. NatWest Markets Plc is in certain jurisdictions an authorised agent of NatWest Markets N.V. and NatWest Markets N.V. is in certain jurisdictions an authorised agent of NatWest Markets Plc.

NatWest Markets Securities Inc. intermediates securities transactions effected by its non-U.S. affiliates for or with its U.S. clients when appropriate and in accordance with Rule 15a-6 under the Securities Exchange Act of 1934. Any U.S. customer wanting further information may contact NatWest Markets Securities Inc., 600 Washington Boulevard, Stamford, CT, USA. Telephone: +1 203 897 2700.