

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The regulated information it contains is disseminated pursuant to DTR6.3.5 and comprises the Notice of Annual General Meeting in Section 1, a copy of which is available to view on www.rbs.com/agm. If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser (who, in the United Kingdom, should be authorised under the Financial Services and Markets Act 2000). If you have sold or transferred all your shares in The Royal Bank of Scotland Group plc please pass this document and the accompanying proxy form to the stockbroker, bank or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.



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31 March 2020

Dear Shareholder

Annual General Meeting

The Annual General Meeting (the "AGM") of The Royal Bank of Scotland Group plc (the "Company") will be held at RBS Gogarburn, Edinburgh EH12 1HQ on Wednesday, 29 April 2020 at 2.00 p.m.

Coronavirus (Covid-19)

In response to the Coronavirus (Covid-19) pandemic, the UK and Scottish Governments have introduced new laws to prevent individuals engaging in non-essential travel and attending public gatherings of more than two people, save where essential for work purposes. The new laws mean that this year's AGM is expected to be held in a format different to that of previous years.

Having taken legal advice, the Board has concluded that, in these exceptional circumstances and to ensure shareholders can comply with the legal requirements currently in place, **they should not be permitted to attend this year's AGM**. Shareholders are therefore being requested to have regard to their own safety and that of others and not to travel to the meeting. **Any shareholders attempting to gain access to the AGM will be excluded from the meeting on grounds of public safety.**

While the pandemic restricts our ability to follow our usual AGM format, we are still legally required to hold our AGM and we intend to do so using the 'essential work purposes' exemption under the new laws. This requires shareholder attendance at the AGM to be limited to only the five shareholders required to form a quorum under our Articles of Association. RBS intends to facilitate the establishment of the quorum, who are essential for the running of the meeting.

We will continue to monitor the evolving impact of the pandemic with the health and safety of our shareholders, customers, colleagues and communities our priority. If it becomes necessary or appropriate to make changes to the proposed format of the 2020 AGM, we will inform shareholders as soon as we can. You are encouraged to monitor our AGM website at www.rbs.com/agm and also announcements via the Regulatory News Service.

Although shareholders will not be able to attend the 2020 AGM in person, they will still be able to ensure their votes are counted by submitting their proxies in advance, either online or by post. Shareholders will also be able to submit questions in advance of the AGM, and answers to questions on key themes will be displayed on www.rbs.com/agm as soon as is practically possible.

Details of how to vote and submit questions in advance of the AGM can be found on page 17.

We also want to ensure that shareholders continue to have the opportunity to engage with the Board. We are, therefore, arranging a special virtual shareholder event to be held shortly after the AGM on 29 April 2020. Details of how shareholders will be able to join the virtual shareholder event and submit questions will be available shortly on www.rbs.com/agm.

In addition to the special virtual shareholder event planned for the day of the AGM, it is our intention to deliver further shareholder events later in 2020. The Board remains committed to proactive shareholder engagement, with such events enabling it to continue its dialogue with shareholders during the year, outside of the AGM. Further information on future shareholder events will be made available at <https://investors.rbs.com/shareholder-centre/shareholder-events.aspx> in the coming months.

Documentation

In line with your expressed preference, I enclose a copy of our 2019 Strategic Report, or our full Report and Accounts for the year ended 31 December 2019. Copies of these documents are also available on our website at www.rbs.com/annualreport.

The Notice of Meeting and supporting information accompany and form part of this letter.

Resolutions

Under the Listing Rules of the Financial Conduct Authority applicable to a company with a controlling shareholder, the election or re-election by the shareholders of an independent director must be approved by an ordinary resolution and also be separately approved by the shareholders who are not controlling shareholders. Therefore, for Resolutions 9 to 17, additional approval by the independent shareholders will be required, which in each case will be calculated and confirmed at the meeting.

We would like to draw your attention to Resolution 28 which renews the authority granted to the Directors by the special resolution passed at the AGM of the Company on 25 April 2019 to make off-market purchases of ordinary shares from HM Treasury. The intention would be to seek a similar renewal at future AGMs while HM Treasury continues to hold ordinary shares.

Recommendation

The Board considers that Resolutions 1 to 30 in the Notice of Meeting are in the best interests of the Company and its shareholders as a whole and we unanimously recommend that you vote in favour of them. Your Directors intend to vote in **favour** of all Resolutions in respect of their own beneficial holdings with the exception of Resolution 2 regarding the Directors' Remuneration Policy on which the Directors will not vote as they are recipients of the policy.

Yours sincerely

Howard Davies
Chairman

Section 1

Notice of Meeting

Notice is hereby given that the Annual General Meeting (the “AGM”) of the members of The Royal Bank of Scotland Group plc (the “Company” or “Group”) will be held at RBS Gogarburn, Edinburgh EH12 1HQ on Wednesday, 29 April 2020, at 2.00 p.m. to consider, and if thought fit, pass the Resolutions below:

The Resolutions numbered 1 to 20, 23, 26 and 30 are proposed as ordinary resolutions and must receive more than 50% of the votes cast in order to be passed. The Resolutions numbered 21, 22, 24, 25, 27, 28 and 29 are proposed as special resolutions, and must receive at least 75% of the votes cast in order to be passed.

Report and Accounts for the year ended 31 December 2019

1. That the reports of the Directors and auditors and the audited accounts for the financial year ended 31 December 2019 be received.

The Directors are required to present the Report and Accounts for the year ended 31 December 2019 at the AGM.

Directors’ Remuneration Policy

2. That the Directors’ Remuneration Policy in the Directors’ Remuneration Report, as set out on pages 82 to 89 of the Report and Accounts for the year ended 31 December 2019, be approved.

The Directors’ Remuneration Policy (the “policy”) sets out the proposed forward-looking policy for Directors and is subject to a binding shareholder vote, in line with UK legislation. The policy details each element of remuneration for Directors and how this supports delivery of the Company’s strategy and purpose. Provided that the new policy is approved by shareholders, it will be capable of operating for a maximum period of three years, until the 2023 AGM at the latest. Once approved, payments can only be made to Directors if they are in accordance with the agreed policy. If the Company wishes to make changes to the policy during this period then a new policy must be submitted to shareholders for approval.

The policy was last approved by shareholders at the AGM of the Company in 2017. Having conducted a thorough review and consulted with major shareholders during 2019, the Group Performance and Remuneration Committee and the Board believes the existing policy has served the Company well. Variable pay levels for executive directors are restrained in a market context and delivered entirely in shares as long-term incentive (“LTI”) awards with no annual bonus. Performance is assessed against measures which, though demanding, executive directors would reasonably be expected to achieve, thereby encouraging safe and secure growth. There are extensive deferral and retention periods in place to ensure that there is long-term alignment between the interests of executive directors and those of shareholders.

Only a small number of changes are proposed in order to align with the latest investor guidance and market practice. The proposed changes are to:

- introduce a formal post-employment shareholding requirement, with executive directors required to hold shares for a period of two years following cessation of employment;
- formally reduce the pension rate for executive directors under the policy to 10% of base salary, in line with the vast majority of the wider workforce (noting that the 10% rate has already been applied for the two executive director appointments in 2019); and
- introduce flexibility to use a discount methodology when granting future LTI awards. With the resumption of dividends to ordinary shareholders in recent years, this will allow the Company to adjust LTI awards for the absence of the right to receive dividends during the vesting period, in line with practice by other major UK banks.

In terms of the policy for the Chairman and non-executive directors, the only change proposed is the introduction of life insurance cover for the Chairman. This will be offered provided the costs

are considered by the Board to be reasonable. Offering life insurance for the role of Chairman is in line with the practice by most of the other major UK banks.

Directors' Remuneration Report

3. That the Annual Report on Remuneration in the Directors' Remuneration Report, as set out on pages 79 to 80 and 90 to 101 of the Report and Accounts for the year ended 31 December 2019 be approved.

The Annual Report on Remuneration provides details of how pay arrangements have been implemented over the last financial year and is subject to an annual advisory shareholder vote.

Declaration of Final Dividend

4. That a final dividend of 3 pence per ordinary share of £1.00 be declared in respect of the financial year ended 31 December 2019, payable on 4 May 2020 to ordinary shareholders whose names appear in the register of members at the close of business on 27 March 2020.

Declaration of Special Dividend

5. That a special dividend of 5 pence per ordinary share of £1.00 be declared in respect of the financial year ended 31 December 2019, payable on 4 May 2020 to ordinary shareholders whose names appear in the register of members at the close of business on 27 March 2020.

Election and Re-election of Directors

- 6, 7 and 8 (Chairman, Chief Executive Officer and Chief Financial Officer)

To elect or re-elect by separate resolutions: (a) Howard Davies as a Director, (b) Alison Rose-Slade as a Director and (c) Katie Murray as a Director.

- 9 to 17 (Non-executive Directors)

To elect or re-elect by separate resolutions: (a) Frank Dangeard as a Director, (b) Patrick Flynn as a Director, (c) Morten Friis as a Director, (d) Robert Gillespie as a Director, (e) Yasmin Jetha as a Director, (f) Baroness Noakes as a Director, (g) Mike Rogers as a Director, (h) Mark Seligman as a Director and (i) Lena Wilson as a Director and in each case on the condition that, unless that election or re-election is either approved at this AGM by those persons entitled to vote on the Resolution for election or re-election that are not controlling shareholders (as defined in rule LR App 1.1 of the Listing Rules of the Financial Conduct Authority) or approved by a further ordinary resolution within 120 days of this AGM, that election or re-election shall be for a fixed term of either 120 days or, if shorter, the period ending when a further ordinary resolution for the election or re-election of that director is lost.

Under the Company's articles of association, any Director appointed since the last AGM and any Directors with more than three years' service since their last re-election must seek election or re-election. However, in accordance with the recommendations set out in the UK Corporate Governance Code (the "CG Code"), all of the Company's Directors will retire and submit themselves for election or re-election on an annual basis.

The CG Code requires that the Board should set out in the papers accompanying the resolutions to elect each Director the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success.

All the Directors offering themselves for election or re-election are highly experienced and have substantial and relevant knowledge of the financial services industry. The Board considers that they each bring valuable skills to the Board and, in the case of the non-executive Directors, that they are independent and provide an objective perspective. Board biographies, together with further details on each Director's contribution can be found in Appendix 1 to this document.

The performance of the non-executive Directors who served during 2019 has been formally evaluated by the Chairman and the performance of the Chairman was evaluated by the non-executive Directors, led by the Senior Independent Director. The performance of the Group Chief Executive Officer (“CEO”) was considered during the annual performance assessment conducted by the Chairman. The performance of the Chief Financial Officer (“CFO”) was considered during the annual performance assessment conducted by the CEO. The performance of the CEO and CFO was also overseen by the Group Performance and Remuneration Committee and the Group Board as part of the annual performance assessment.

Based on the information and individual assessments referred to above, the Board considers that each Director’s contribution is, and continues to be, important to the Company’s long-term sustainable success.

Under the Listing Rules of the Financial Conduct Authority, the election or re-election by the shareholders of an independent director must be approved by an ordinary resolution and separately approved by the shareholders who are not controlling shareholders (as defined in rule LR App 1.1 of the Listing Rules). If the ordinary resolution to approve the election or re-election of an existing independent director is passed, but the separate approval is not given, the Listing Rules permit an existing director to remain in office pending a further ordinary resolution to approve the election or re-election of that director. That resolution may only be voted on within 120 days of the vote on the initial resolution. Therefore Resolutions 9 to 17 each provide that if the separate approval is not given, the appointments will continue for only 120 days from the AGM unless a further ordinary resolution for election or re-election is passed. If a further ordinary resolution to approve the election or re-election of that director is lost, the relevant appointment will cease upon that resolution being lost.

The separate approval of the shareholders who are not controlling shareholders (“independent shareholders”) requires receipt of more than 50% of the votes cast in order to be given. The voting will be calculated and confirmed at the AGM. Since the votes of independent shareholders can be identified and calculated, the dual approval requirement in the Listing Rules does not necessitate two resolutions in relation to each director, and a single vote will be sufficient.

For Resolutions 9 to 17 the results of the votes will be announced at the AGM and released to the London Stock Exchange to disclose the level of support received for each independent Director from shareholders and independent shareholders.

The Listing Rules further require the Company to detail any existing or previous relationships, transactions or arrangements an independent Director has or has had with the controlling shareholder or to confirm that there has been no such relationship, transaction or arrangement.

As at the date of this Notice of Meeting, the Solicitor for the affairs of Her Majesty’s Treasury as Nominee for Her Majesty’s Treasury is the only controlling shareholder of the Company for these purposes. All other shareholders are independent shareholders.

Whilst not considered a relationship or an arrangement with the controlling shareholder, as noted in the Report and Accounts for the year ended 31 December 2019, Baroness Noakes was between 2003 and May 2010 a shadow Treasury minister and served on the Conservative front bench in a number of roles. She has never been a Government Minister. Baroness Noakes is also a member of the House of Lords; the House of Lords is part of the UK Parliament and is not part of the government. Other than the above, the Company has nothing to disclose in relation to these further Listing Rule requirements.

The effectiveness of all independent Directors in place at that time was considered as part of the Board evaluation process in 2019 and the Board is able to confirm that all of the independent Directors standing for election or re-election are effective.

Independence of all Directors is continually monitored and the procedure in place for authorising actual or potential conflicts of interest is set out on page 65 of the Governance Report in the Report and Accounts for the year ended 31 December 2019. All of the independent Directors meet the CG Code requirements to be treated as independent.

The Group Nominations and Governance Committee takes independence into account when recommending new Directors to the Board and the operation of the Group Nominations and

Governance Committee is set out in more detail on pages 68 to 69 of the Report and Accounts for the year ended 31 December 2019.

Biographical details together with further details on each Director's contribution are contained in Appendix 1.

Re-appointment of Auditors and Auditors' Remuneration

- 18. That Ernst & Young LLP be re-appointed as auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company.**

- 19. That the Group Audit Committee be authorised to fix the remuneration of the auditors.**

You will be asked to vote on the re-appointment of Ernst & Young LLP as the Company's auditors until the next AGM, and to authorise the Group Audit Committee to fix the auditors' remuneration. The Group Audit Committee has recommended to the Board that Ernst & Young LLP be re-appointed. Details of the auditors' remuneration can be found in Note 6 of the Notes on the Accounts in the Report and Accounts for the year ended 31 December 2019.

Renewal of General Allotment Authority

- 20. That the Directors be and are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:**

- (i) up to an aggregate nominal amount of £4,031,303,064 (such amount to be reduced by any allotment or grant made under sub-paragraph (ii) below in excess of £4,031,303,064; and**
- (ii) comprising equity securities (as defined in section 560 of the Act) up to a maximum nominal amount of £8,062,606,128 (such amount to be reduced by any shares allotted or rights granted under sub-paragraph (i) above) in connection with an offer by way of a rights issue (that is, an offer to subscribe for further securities by means of the issue of a renounceable letter or other negotiable document which may be traded for a period before payment for the securities is due):**
 - (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and**
 - (b) to holders of other equity securities if this is required by the rights of those equity securities or, if the Directors consider it necessary, as permitted by the rights of those equity securities;**

and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, securities represented by depositary receipts, legal, regulatory or practical problems in, or under the laws of any territory or the requirements of any relevant regulatory body or stock exchange or any other matter.

This authority shall expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier), save that the Company may before such expiry (A) pursuant to the authority conferred by sub-paragraph (i), make any offer or agreement which would or might require shares to be allotted, or rights to subscribe for, or convert securities into, shares to be granted, after such expiry and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if the authority so conferred had not expired, and (B) pursuant to the authority conferred by sub-paragraph (ii), make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority so conferred had not expired.

This authority is in addition and without prejudice to any other subsisting unutilised authorities conferred upon the Directors under section 80 of the Companies Act 1985 or section 551 of the Act.

This Resolution will, if approved, renew the Directors' authority to allot shares or grant rights to subscribe for, or convert any security into, shares. The authority will replace the authority given to the Directors at the AGM in 2019.

Sub-paragraph (i) of the Resolution, if passed, will give the Directors authority to allot shares, or grant rights to subscribe for, or convert any security into, shares, up to an aggregate nominal value of £4,031,303,064 representing one-third of the Company's issued ordinary share capital on 27 March 2020 (the latest practicable date before the printing of the Notice of Meeting).

In accordance with the institutional guidelines issued by the Investment Association, sub-paragraph (ii) of the Resolution, if passed, will give the Directors authority to allot, including the shares referred to in sub-paragraph (i) of the Resolution, shares in the Company in connection with a pre-emptive offer by way of a rights issue to shareholders up to a maximum nominal amount of £8,062,606,128 representing two-thirds of the Company's issued ordinary share capital on 27 March 2020 (the latest practicable date before the printing of the Notice of Meeting). As at that date, the Company did not hold any treasury shares.

The Company has passed resolutions renewing the Directors' allotment authority at the AGM for a number of years. Previously and as part of capital planning related to macro-prudential discussions with the Prudential Regulation Authority ("PRA"), and as noted in the Report and Accounts for 2018, the Directors considered and approved new issuances in an amount not to exceed £300 million sold on a phased basis to neutralise in part the capital impacts of discretionary coupon payments. This requirement has now ceased. The Directors have no present intention to exercise the authority.

The authority would remain in force until the conclusion of the next AGM of the Company or the close of business on 30 June 2021, whichever is the earlier.

Renewal of Authority to allot Equity Securities for Cash or to sell Treasury Shares other than on a pro rata basis to Shareholders

21. That, subject to the passing of Resolution 20, the Directors be and are hereby generally and unconditionally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 20 or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:
- (i) the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under Resolution 20 (ii), by way of a rights issue as described in that Resolution only) to or in favour of (a) holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings, and (b) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates, securities represented by depositary receipts, legal, regulatory or practical problems arising in, or under the laws of, any territory or the requirements of any relevant regulatory body or any stock exchange or any other matter; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i)), of equity securities pursuant to the authority granted under Resolution 20(i), and/or by virtue of section 560(3) of the Act, up to a maximum aggregate nominal amount of £604,695,460.

This power shall expire at the conclusion of the next AGM of the Company or, if earlier, the close of business on 30 June 2021, unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity

securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired. Compliance with the limit in subparagraph (ii) shall be calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares (as defined in section 560 of the Act), by reference to the aggregate nominal amount of such shares which may be allotted pursuant to such rights.

This power is in addition and without prejudice to any other subsisting unexercised powers conferred upon the Directors under section 95 of the Companies Act 1985 or section 570 of the Act.

This Resolution (which will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting) will, if approved, renew the Directors' authority to allot equity securities for cash, free from the pre-emption restrictions set out in the Act. This authority is limited to allotments of equity securities up to an aggregate nominal value of £604,695,460 (representing 5% of the issued ordinary share capital of the Company), and to allotments in connection with a pre-emptive offer. This disapplication is in line with institutional shareholder guidance and in particular with the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group.

If approved, the authority will expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier). The Directors intend to observe the institutional guidelines in respect of allotments of shares for cash. These presently require that no more than 7½% of the issued ordinary share capital should be allotted for cash on a non pre-emptive basis in any rolling three-year period.

Additional authority to allot Equity Securities for Cash or to sell Treasury Shares other than on a pro rata basis to Shareholders

22. That, subject to the passing of Resolution 20, and in addition to any authority granted under Resolution 21, the Directors be and are hereby generally and unconditionally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 20 or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be:
- (i) limited to the allotment of equity securities up to a maximum aggregate nominal amount of £604,695,460; and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice.

This power shall expire at the conclusion of the next AGM of the Company or, if earlier, close of business on 30 June 2021, but in each case, prior to its expiry, the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after it expires, and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

The authority sought by Resolution 22 will permit the Directors to allot additional shares up to a maximum nominal value of £604,695,460, representing approximately a further 5% of the issued ordinary share capital of the Company as at 27 March 2020, otherwise than in connection with a pre-emptive offer to existing shareholders, for the purpose of financing an acquisition or specified capital investment, as contemplated by the Pre-emption Principles described above. This additional 5% authority is sought in line with the best practice guidance issued by the Pre-emption Group.

The Directors confirm in accordance with the Pre-emption principles that the additional authority in Resolution 22, if granted, will be used only in connection with an acquisition or specified capital investment which is announced at the time of the allotment or which has taken place in the six months preceding the allotment and is disclosed in the announcement of the allotment. The authority will also include any sale by the Company of shares held as treasury shares.

If approved, the authority will expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier). The Directors intend to observe the institutional guidelines in respect of allotments of shares for cash. These presently require that no more than 7½% of the issued ordinary share capital should be allotted for cash on a non pre-emptive basis in any rolling three-year period.

This Resolution will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting.

Renewal of Equity Convertible Notes authority

- 23. That the Directors be and are hereby generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £1.5 billion in relation to one or more issues of Equity Convertible Notes, where the Directors consider that such an issuance of Equity Convertible Notes would be desirable, including in connection with, or for the purposes of, complying with or maintaining compliance with the regulatory requirements or targets applicable to the Group from time to time.**

This authority shall expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is the earlier), save that the Company may before such expiry make any offer or agreement which would or might require ordinary shares in the Company to be allotted, or rights to subscribe for or to convert any security into ordinary shares in the Company to be granted, after such expiry and the Directors may allot ordinary shares in the Company or grant any such rights in pursuance of any such offer or agreement as if the authority so conferred had not expired.

This authority is in addition and without prejudice to any other subsisting unutilised authorities conferred upon the Directors under section 80 of the Companies Act 1985 or section 551 of the Act, including the authority granted pursuant to Resolution 20 (if passed).

In response to regulatory requirements and developments and to allow the Group to manage its capital in the optimal way, the Board has determined that the Group might wish to issue further loss-absorbing capital instruments in the form of Equity Convertible Notes (“ECNs”) when markets are favourable. The ECNs would convert into newly issued ordinary shares in the Company upon the occurrence of certain events (for example, the Group’s capital ratios falling below a specified level), diluting existing holdings of ordinary shares. Shareholder approval was therefore sought and obtained at the AGM on 25 April 2019 to provide the flexibility to issue ECNs if required. The Company last issued ECNs in 2016 to the value of circa £2 billion equivalent with a £1.75 equivalent conversion price (which would in the circumstances described above result in the issue of ordinary shares with an aggregate nominal value of circa £1.16 billion). The Company has no plans to issue additional ECNs in 2020 but wishes to retain the option to do so as part of prudent capital management. Accordingly, the Board remains of the view that the Group should maintain the flexibility to issue further ECNs if it is deemed to be in the best interests of the Company to do so and has determined that the requisite shareholder authorities should be renewed. Accordingly, two resolutions will be proposed at the AGM in connection with ECNs: one (Resolution 23) an ordinary resolution giving the Directors authority to allot ordinary shares or grant rights to subscribe for or to convert any security into ordinary shares up to an aggregate nominal amount of £1.5 billion (which is equivalent to approximately 12.40% of the issued ordinary share capital of the Company as at 27 March 2020, being the last practicable date before the printing of the Notice of Meeting) and the other (Resolution 24) a special resolution empowering the Directors to allot equity securities on a non-pre-emptive basis, wholly for cash, up to an aggregate nominal amount of £1.5 billion (which is equivalent to approximately 12.40% of the issued ordinary share capital of the Company as at 27 March 2020, being the last practicable date before the printing of the Notice of Meeting), in each case in connection with the issue of ECNs.

Renewal of pre-emption rights disapplication in relation to Equity Convertible Notes

- 24. That, subject to the passing of Resolution 23 and in addition and without prejudice to any subsisting power (including the power granted pursuant to Resolutions 21 and 22 (if**

passed)), the Directors be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) wholly for cash, pursuant to the authority conferred by Resolution 23 up to an aggregate nominal amount of £1.5 billion in connection with the issue of Equity Convertible Notes as if section 561 of the Act did not apply to any such allotment.

This power shall expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier), save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

This Resolution will be proposed as a special resolution and requires approval of three-quarters of the votes cast at the meeting.

Notice Period for General Meetings

- 25. That a General Meeting of the Company other than an AGM may be called on not less than 14 clear days' notice.**

The Act extended the notice period for general meetings of a listed company to 21 days. The Act does, however, allow companies to retain a 14 day notice period provided that certain conditions are met, including the passing of an appropriate resolution at an AGM. The Resolution, which will be proposed as a special resolution and requires approval of three-quarters of the votes cast at the meeting, will enable the Company to retain the flexibility of holding general meetings (other than an AGM) on 14 clear days' notice.

The authority granted in 2018 was used to hold a General Meeting on 6 February 2019 on 19 days notice to obtain shareholder approval for a single resolution which gave the Company the flexibility, with the agreement of HM Treasury, to facilitate the return of the Company to full private ownership through the use of the Company's excess capital by undertaking directed buybacks of ordinary shares from HM Treasury.

It is intended that the shorter notice period will only be used where it is, in the opinion of the Directors, merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's AGM in 2021, when it is intended that a similar resolution will be proposed.

Political Donations

- 26. That, in accordance with section 366 of the Act, the Company and any company which, at any time during the period for which this Resolution has effect, is a subsidiary of the Company, be and are hereby authorised during the period commencing on the date of this Resolution and ending on the date of the AGM of the Company to be held in 2021 or on 30 June 2021, whichever is the earlier, to: (a) make political donations to political parties and/or independent election candidates, (b) make political donations to political organisations other than political parties, and (c) incur political expenditure, provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 and the amount authorised under each of (a), (b) and (c) above shall also be limited to such amount. Such maximum amounts may consist of sums in any currency converted into sterling at such rate as the Directors may in their absolute discretion determine. For the purposes of this Resolution, the terms 'political donations', 'political parties', 'political organisations', 'independent election candidates' and 'political expenditure' shall have the meanings given to them in sections 363 to 365 of the Act.**

The Act requires companies to seek prior shareholder approval for any political donations or political expenditure in respect of a political party or other political organisation or an independent election candidate. Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure. However the definitions of political donations and political expenditure used in the Act are very widely drafted, and we have been advised that the definitions could include activities such as allowing staff paid leave to act as local councillors or to stand for election in local government, or parliamentary elections. In keeping with most companies, our employment policies do allow paid leave in these circumstances.

Contributions to “think tanks” or bodies such as those concerned with policy review and law reform or with the representation of the business community or sections of it may also be deemed to be political donations or expenditure as defined by the Act.

The penalties for breach of the legislation are severe, even if the breach is inadvertent. At the AGM in 2019 shareholders approved a resolution to protect the Company and its officers by approving political donations and expenditure of up to £100,000 per annum in aggregate across the Group. We now seek to renew this authority up to an aggregate of £100,000 which will not be used for any purpose other than a continuation of our normal business and employment practices. The approval will, if granted, expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier).

Authority to purchase own shares

27. That the Company is generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of £1.00 each in the capital of the Company, provided that:

- (i) the maximum number of ordinary shares to be purchased is 1,209,390,919 (representing 10% of the issued ordinary share capital);**
- (ii) the minimum price which may be paid for an ordinary share is £1.00 per share which amount shall be exclusive of expenses;**
- (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share is, in respect of an ordinary share contracted to be purchased on any day, the higher of (i) an amount equal to 105% of the average of the midmarket quotations for an ordinary share of the Company as derived from The Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; (ii) the price of the last independent trade on the trading venue where the purchase is carried out; and (iii) the highest current independent purchase bid on that venue;**
- (iv) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company following the passing of this Resolution, or 30 June 2021 (whichever is the earlier) unless such authority is renewed prior to such time; and**
- (v) the Company may conclude a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after such expiry, and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired.**

This Resolution (which will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting) will, if approved, grant the Company authority to purchase its own ordinary shares on a recognised investment exchange. The authority will be restricted to 1,209,390,919 ordinary shares as at 27 March 2020, the latest practicable date prior to publication of the Notice of Meeting, which represent 10% of the issued ordinary share capital. The Resolution also specifies the minimum and maximum prices at which the shares may be purchased.

The authority will expire at the conclusion of the next AGM of the Company or 30 June 2021 (whichever is the earlier).

The Directors consider it may, in certain circumstances, be in the best interests of shareholders generally for the Company to purchase its own shares. The Directors will only make purchases where, in the light of market conditions prevailing at the time, they consider that such purchases will be in the best interests of shareholders generally. The Company will also require regulatory approval by the PRA for any ordinary share capital distributions.

The total number of options and conditional share awards under the Company’s employee share schemes that may be satisfied by the issue of ordinary shares as at 27 March 2020, the latest practicable date prior to publication of the Notice of Meeting, are in respect of 200,393,294 ordinary shares, which represents 1.66% of the current issued ordinary share capital and would represent 1.84% if the full authority to purchase own shares were to be used under this resolution

(or 1.95% if the full authority to purchase own shares under this resolution and resolution 28 were to be used) and such repurchased ordinary shares were to be cancelled.

The Company will consider holding any of its own shares that it purchases pursuant to the authority conferred in this Resolution as treasury shares. This may give the Company the ability to re-issue treasury shares quickly and cost effectively and may provide the Company with additional flexibility in the management of its capital base, including the allotment of shares in relation to employee share schemes. No dividends will be paid on shares while held in treasury, and no voting rights will attach to them.

Renewal of Authority to make off-market purchases of ordinary shares from HM Treasury

28. That the Company is hereby authorised to make off-market purchases (as defined by section 693(2) of the Act) from HM Treasury or its nominee of fully paid ordinary shares in the capital of the Company at such times and at such prices and in such numbers and otherwise on the terms and conditions as contemplated in the contract between the Company and HM Treasury dated 7 February 2019 (a copy of which was produced to the General Meeting on 6 February 2019 and made available at the Company's registered office prior to such date) (the "Directed Buyback Contract"), which was originally approved by special resolution passed at the General Meeting and then renewed at the AGM on 25 April 2019, provided that:

the authority hereby conferred shall, unless previously varied, revoked or renewed, expire at the conclusion of the next AGM of the Company, or 30 June 2021 (whichever is earlier); and the Company may conclude a contract to purchase ordinary shares pursuant to the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after such expiry, and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired.

The Resolution will be proposed as a special resolution and requires the approval of three quarters of the votes cast at the meeting. If this Resolution is approved, it will grant the Company authority to make off-market purchases of its own ordinary shares from HM Treasury (or its nominee).

The Directors consider it may, in certain circumstances, be in the best interests of shareholders for the Company to purchase its own shares from HM Treasury (or its nominee). The Company may agree with HM Treasury to make off-market purchases of its ordinary shares at such times and on such number of occasions as the Directors may determine (a) by way of one or more standalone purchases; (b) through a non-discretionary, broker-managed directed trading programme subject to certain parameters; or (c) in conjunction with any offer or sale by HM Treasury (or its nominee) by way of or including an institutional placing. Any such off-market purchases shall be made at the relevant market price on the date the ordinary shares are contracted to be purchased or, if made in conjunction with an institutional placing by HM Treasury (or its nominee), at the placing or offering price as determined through a book building process and otherwise on the terms and conditions of the Directed Buyback Contract. The Directed Buyback Contract limits any such off-market purchases to a maximum of 4.99% of the Company's issued ordinary share capital in any 12 month period.

The Directors will only make off-market purchases where, in light of market conditions prevailing generally at the time, they consider that such off-market purchases will be in the best interests of shareholders generally. The Company will also require regulatory approval by the PRA for any ordinary share distributions.

The Company will cancel or hold as treasury shares the ordinary shares it purchases off-market pursuant to the authority conferred in this Resolution. Holding any of the ordinary shares as treasury shares may give the Company the ability to cancel such shares at a later date, or re-issue treasury shares quickly and cost effectively, and may provide the Company with additional flexibility in the management of its capital base, including the allotment of ordinary shares in relation to employee share schemes. No dividends will be paid on ordinary shares while held in treasury, and no voting rights will attach to them.

The total number of options and conditional share awards that may be satisfied by the issue of ordinary shares as at 27 March 2020, the latest practicable date prior to publication of the Notice

of Meeting, are in respect of 200,393,294 ordinary shares, which represent 1.66% of the current issued ordinary share capital and would represent 1.84% if the full authority to purchase own shares under this resolution were to be used (or 1.95% if the full authority to purchase own shares under this resolution and resolution 27 were to be used) and such repurchased ordinary shares were to be cancelled.

Under Chapter 11 of the Listing Rules, the Directed Buyback Contract with HM Treasury constitutes a related party transaction. However, the proposed off-market purchase is treated as a “smaller” related party transaction under Listing Rule 11.1.10R and as such does not require the approval of independent holders of ordinary shares. If the Company wishes to purchase more than 4.99 per cent. of its issued share capital from HM Treasury in a 12-month period or the transaction would otherwise exceed the “smaller” related party transaction limits set out in the Listing Rules (including when aggregated with any other relevant transactions), the Company will seek approval from its independent shareholders for the relevant arrangements

To amend the articles of association

- 29. That the articles of association of the Company produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be adopted as the articles of association of the Company (the “New Articles”) in substitution for, and to the exclusion of, the existing articles of association (the “Current Articles”).**

The principal changes to the Current Articles are summarised in Appendix 2. Other changes of a minor, technical or clarifying nature have not been summarised in the Appendix. Generally the opportunity has been taken to bring clearer language into the New Articles to better reflect current best practice.

The resolution (which will be proposed as a special resolution and requires the approval of three-quarters of the votes cast at the meeting) will, if approved, adopt the New Articles as summarised in Appendix 2 to this document.

Employee Share Ownership Plan

- 30. That The Royal Bank of Scotland Group plc Employee Share Ownership Plan (“Plan”), the principal terms of which are summarised in Appendix 3 to this notice and the draft trust deed and rules of which are produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is adopted and the Directors be and are authorised to:**

- (a) do all such acts and things as they may consider appropriate to implement and operate the Plan; and**
- (b) establish such appendices, schedules or further plans based on the Plan but modified to take account of or to comply with local tax, exchange control or securities laws in other jurisdictions provided that any shares made available under such appendices, schedules or plans are treated as counting against the limits on individual and overall participation contained in the Plan**

This resolution seeks authority to renew, on broadly similar terms, the Company’s existing employee share ownership plan which expires on 25 April 2020, by authorising the Directors to establish the Plan and, where appropriate, establish overseas employee share ownership plans based on the Plan. The Plan is a UK all-employee share incentive plan, a summary of the principal terms for which can be found in Appendix 3 to this notice.

By order of the Board,

Jan Cargill

Company Secretary
36 St Andrew Square, Edinburgh
31 March 2020

Notes:

1. **Entitlement to vote:** Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, as amended, the Company gives notice that only those shareholders entered on the register of members of the Company at close of business on 27 April 2020, or, if the AGM is adjourned, on the register of members of the Company 48 hours before the time of the adjourned meeting, will be entitled to vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to entries on the register after close of business on 27 April 2020 will be disregarded in determining the rights of any person to vote at the meeting.
2. **Appointment of proxies:** A shareholder entitled to vote at the AGM is entitled to appoint a proxy or proxies to vote on his/her behalf. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member. A form to appoint a proxy is enclosed with this Notice of Meeting and may be returned in the enclosed pre-paid envelope. To appoint a proxy, (a) the form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be completed and sent to the Company's Registrar, Computershare Investor Services PLC ("Computershare"), The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 6 below, or (c) the proxy appointment must be registered electronically on the website at www.rbs.com/e-proxy, in each case so as to be received no later than 2.00 p.m. on 27 April 2020.
3. **Joint shareholders:** In the case of joint holders, the vote of the senior holder who tenders a vote by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
4. **Indirect Investors:** Any person receiving this Notice of Meeting, whose shares are held on their behalf by another person and who has been nominated under section 146 of the Companies Act 2006 ("the Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. **Nominated Persons:** The statement of the rights of shareholders in relation to the appointment of proxies in Notes 2 above and 6 below do not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders.
6. **Crest proxy appointment service:** CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the AGM and any adjourned meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 3RA50), by 2.00 p.m. on Monday, 27 April 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by

means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). Please refer to the CREST Manual at www.euroclear.com.

7. **Issued capital and voting rights:** As at 27 March 2020 (being the latest practicable date prior to the printing of this Notice of Meeting), the issued share capital of the Company consisted of 12,093,909,192 ordinary shares of £1, 400,000 5.5% cumulative preference shares of £1, 500,000 11% cumulative preference shares of £1, each carrying four votes each on a poll, and 10,130 category II non cumulative preference shares of US\$0.01 which carry no voting rights. Therefore, the total number of voting rights in the Company as at 27 March 2020 was 48,379,236,768.
8. **Directors' beneficial holdings:** since 13 February 2020 (the date of the Report and Accounts for 2019) there have been changes to the Directors' beneficial holdings. As at 27 March 2020 (being the latest practicable date prior to the printing of this Notice of Meeting) the beneficial holdings were as detailed below.

Director	Number of Shares
Howard Davies	100,000
Alison Rose	1,430,091
Katie Murray	287,711
Frank Dangeard	5,000
Patrick Flynn	20,000
Morten Friis	20,000
Robert Gillespie	25,000
Yasmin Jetha	20,145
Baroness Noakes	41,000
Mike Rogers	20,000
Mark Seligman	30,000
Lena Wilson	20,000

9. **Major shareholders' interests:** Since 13 February 2020 and up to 27 March 2020 the Company has not received any notifications in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules.
10. **Corporate representatives:** Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
11. **Questions at the AGM:** Any shareholder, corporate representative or proxy has the right to ask questions in relation to the business of the AGM. No answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or good order of the meeting that the question be answered.

Further details of how shareholders can ask or submit questions can be found on page 17.

12. **Website giving information about the meeting:** A copy of this Notice of Meeting and other information required by section 311A of the Act can be found at www.rbs.com/agm.
13. **Website statements relating to audit concerns:** Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be

laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

14. **Electronic address:** You may not use any electronic address provided in either this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
15. **Documents available for inspection:** The undernoted documents will be available for inspection at the Company's offices at RBS Gogarburn, Edinburgh EH12 1HQ and 250 Bishopsgate, London EC2M 4AA during normal business hours until the close of the AGM and at the place of the AGM for at least 15 minutes prior to and during the AGM.

The documents will also be available to view online at www.rbs.com/agm from 3 April 2020 until close of business on 29 April 2020:

- (i) copies of the Executive Directors' service contracts;
- (ii) copies of the letters of appointment for Non-executive Directors;
- (iii) the Directed Buyback Contract;
- (iv) the rules of the Employee Share Ownership Plan; and
- (v) the full terms of the proposed amendments to the articles of association.

General Information

Electronic shareholder communications

The Company is committed to reducing its impact on the environment. You can help us to reduce our paper consumption by electing to receive your shareholder communications electronically. To do so, please visit investors.rbs.com/shareholder-centre and click the 'Sign up to E-comms' tab.

Report and Accounts for the year ended 31 December 2019

If you haven't elected for electronic communications you will have received either: the full "Report and Accounts" which is sent only to shareholders who have asked to receive it or who have not previously had the opportunity of choosing which document they wish to receive; or the "Strategic Report" which includes information on the Company's development, performance, strategy, business model, the remuneration report and the principal risks and uncertainties faced.

If you wish to change your election in this regard please email Computershare at rbsagm@computershare.co.uk. Alternatively you can call or write to them using the details on page 18.

Shareholder questions

Shareholders have the right to **ask questions** related to the business of the meeting, as stated in Note 11 of the Notice of Meeting. Shareholders can submit questions related to the business of the meeting to our Registrar, Computershare Investor Services PLC, either **by email to rbsagm@computershare.co.uk**, or to Computershare's address noted on page 18. Answers to questions on key themes will be displayed on www.rbs.com/agm as soon as practically possible.

Voting at the AGM

Shareholders are able to vote in advance of the meeting using their Form of Proxy (Proxy), which is enclosed. The Proxy covers all resolutions to be proposed at the AGM and is for use by holders of ordinary shares and cumulative preference shares.

Shareholders are being encouraged to submit their votes as early as possible and **by no later than 2.00 p.m. on 27 April 2020**. Votes can be submitted either by returning the Proxy in the pre-paid envelop enclosed, or online by following the instructions set out on the Proxy.

Shareholders must vote in advance of the meeting as we currently do not provide any functionality which allows them to vote during the meeting itself.

Any person whose shares are held on their behalf by another person should read Note 4 to the Notice of the Meeting to find out how to vote at the AGM.

Voting at the AGM will be conducted by way of a poll. This is more transparent and equitable as it allows the votes of all shareholders who wish to vote to be taken into account.

At the AGM we will disclose the total of the proxy votes received, the proportion for and against each resolution or approval vote and the number of votes withheld. Votes withheld will not be counted in the calculation of the proportion of votes 'for' and 'against' a resolution. Voting results will be announced to the London Stock Exchange as soon as possible after the conclusion of the AGM and will be published on our website.

Change of Company Name

On 14 February 2020 we announced that The Royal Bank of Scotland Group plc is to be renamed NatWest Group plc later this year. Once the name is legally changed your shares will become shares in NatWest Group plc. There will be no change to the nominal value or structure of your shareholding as a result of the change of name.

Contact Details

Shareholder enquiries
Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: +44 (0)370 702 0135
Email: rbsagm@computershare.co.uk

Registered office
36 St Andrew Square
Edinburgh
EH2 2YB
Telephone: +44 (0)131 556 8555
Website: www.rbs.com

Legal, Governance & Regulatory Affairs
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ
Telephone: +44 (0)131 556 8555

Auditors
Ernst & Young LLP,
Chartered Accountants
and Registered Auditors,
25 Churchill Place
Canary Wharf
London
E14 5EY

Appendix 1

Directors standing for election and re-election

Chairman

1 Howard Davies

Appointed: 14 July 2015 (Board),
1 September 2015 (Chairman)

Howard Davies brings a breadth of experience to RBS, gained across the financial services industry. He also has substantial board level experience and is a highly skilled Chairman. Howard contributes a range of insights to Board discussions, drawing in particular on his considerable regulatory and supervisory expertise.

Experience: Howard was chair of the UK Airports Commission between 2012 and 2015; Chairman of Phoenix plc from 2012 to 2015; Director of the London School of Economics and Political Science from 2003 until May 2011; Chairman of the UK Financial Services Authority from 1997 to 2003; and Deputy Governor of the Bank of England from 1995 to 1997.

He is also Professor of Practice at the Paris Institute of Political Science (Sciences Po) and author of several books on financial subjects.

External appointments: Independent director of Prudential plc and Chair of the Risk Committee; Member of the Regulatory and Compliance Advisory Board of Millennium Management LLC; Chair of the International Advisory Council of the China Securities Regulatory Commission; and Member of the International Advisory Council of the China Banking and Insurance Regulatory Commission.

Executive directors

2 Alison Rose, Group Chief Executive Officer

Appointed: 1 November 2019

Alison Rose contributes a wealth of front line banking experience to the Board, with a strong customer focus. Alison has a proven track record gained over her 27 years with RBS during which she has performed a variety of senior roles.

Experience: Alison has worked at RBS for 27 years. Prior to her current role, Alison was Deputy CEO of NatWest Holdings and CEO of the Commercial and Private Banking business. Previous roles include Head of Europe, Middle East and Africa, Markets & International Banking and Global Head of International Banking Capital and Balance Sheet. Alison was invited by the UK Government to lead a review of the barriers to women starting a business and launched The Rose Review in March 2019. Alison also champions NatWest's Entrepreneur Accelerator programme, an innovative initiative supporting start-up businesses across the UK, and sponsors the Bank's employee-led networks.

External appointments: Non-executive director of Great Portland Estates plc; Chair of the McLaren/Deloitte Advisory Council;

sits on the board of Coutts Charitable Foundation; Trustee on the Board of Business in the Community (BITC) and Chair of BITC's Scotland Advisory Board; Chair of the Global Citizen UK organising committee.

3 Katie Murray, Group Chief Financial Officer

Appointed: 1 January 2019

Katie Murray is a Chartered Accountant with nearly 30 years' experience in finance and accounting gained through several roles across the financial services industry.

Experience: Katie joined RBS as Director of Finance in November 2015 and was appointed as Deputy Chief Financial Officer in March 2017. She was appointed Chief Financial Officer in January 2019. Katie has worked in Finance and Accounting for nearly 30 years with experience in capital management, investor relations, financial planning and all areas of financial services. Katie was previously the Group Finance Director for Old Mutual Emerging Markets, based in Johannesburg from 2011 to 2015, having held various roles in Old Mutual from 2002. Prior to this, Katie worked at KPMG for 13 years.

Katie is a Chartered Accountant having trained in Scotland and is a member of The Institute of Chartered Accountants of Scotland.

External appointments: None.

Independent non-executive directors

4 Frank Dangeard

Appointed: 16 May 2016

Frank Dangeard is a former lawyer, investment banker and technology company CEO with substantial global board expertise. Drawing upon this broad background, Frank makes a valuable contribution to Board discussions, particularly in relation to technology, digital and innovation matters.

Experience: Frank assumed the role of Chairman, NatWest Markets Plc on 30 April 2018. Previously, Frank served as a non-executive director of Crédit Agricole CIB, EDF, Home Credit, Orange, Sonaecom SGPS, and as Deputy Chairman and acting Chairman of Telenor ASA. During his executive career he held various roles at Thomson S.A., including Chairman and Chief Executive Officer, and was Deputy Chief Executive Officer of France Telecom. Prior to that he was Chairman of SG Warburg France and Managing Director of SG Warburg.

Frank is a graduate of HEC and IEP in Paris and of the Harvard Law School in the US.

External appointments: Chairman of the Board of NortonLifeLock Inc and non-executive director of Arqiva Group Limited.

5 Patrick Flynn

Appointed: 1 June 2018

Patrick Flynn's finance background meant he was ideally suited to take on the role of Group Audit Committee Chairman in 2019. Patrick also adds retail and commercial banking experience to the Board, together with a background in complex organisational restructuring and technology transformation.

Experience: Patrick was the Chief Financial Officer and a member of the Executive Board of ING Group NV from April 2009 to May 2017. Prior to that, he was Chief Financial Officer of HSBC Insurance from 2007 to 2009 and prior to that, from 2002 to 2007, was Chief Financial Officer of HSBC South America based in Brazil where he was responsible for HSBC's banking and insurance operations.

Patrick is a Fellow of Chartered Accountants Ireland; and a member of the Association of Corporate Treasurers in the UK.

External appointments: Non-executive director of Aviva plc and chair of the audit committee, and member of the risk and nomination committees.

6 Morten Friis

Appointed: 10 April 2014

As a former frontline banker, who later became a Chief Risk Officer, Morten Friis has in-depth knowledge and expertise in risk management within the financial services industry, which supports effective Board discussions and debate on risk matters.

Experience: Prior to being appointed to the Board, Morten had a 34 year financial services career. He held various roles at Royal Bank of Canada and its subsidiaries including Associate Director at Orion Royal Bank; Vice President, Business Banking; and Vice President, Financial Institutions. In 1997, he was appointed as Senior Vice President, Group Risk Management and served as the Chief Credit Officer, then Chief Risk Officer, from 2004 to 2014. He was also previously a Director of RBC Bank (USA); Westbury Life Insurance Company; RBC Life Insurance Company; and RBC Dexia Investor Services Trust Company.

External appointments: Member of the Board of Directors of the Harvard Business School Club of Toronto; and non-executive director of Jackson National Life Insurance Company.

7 Robert Gillespie

Appointed: 2 December 2013

Robert Gillespie has in depth knowledge of banking and its role within the financial services sector. Having run a global investment bank during his executive career, Robert understands complex organisations and also demonstrates strong stakeholder management skills in his role as Chairman of the Group Performance and Remuneration Committee.

Experience: Robert had a long career in investment banking, specialising in corporate advisory work. He was Director General of the Takeover Panel from 2010 until 2013 and prior to that held a number of senior management positions at UBS including being global head of investment banking from 1999 until 2005, chief executive of UBS for EMEA from 2004 to 2006 and Vice Chairman of UBS Investment Bank from 2005 to 2008. He commenced his career at Price Waterhouse where he qualified as a Chartered Accountant and in 1981 joined S.G. Warburg which subsequently became part of UBS.

External appointments: Chairman of The Boat Race Company Limited; director of Social Finance Limited; and professor of practice, Durham University Business School.

8 Yasmin Jetha

Date of appointment: 1 April 2020

***Yasmin Jetha** brings a wealth of retail banking and customer experience to the Board, as well as valuable technology and innovation insights and a strong background in general management. Yasmin adds strength and depth to the Board in these important areas at a critical time, as longer-serving directors approach the end of their Board tenure.*

Experience: Yasmin was a non-executive director of the Company from June 2017 to April 2018, at which point she stood down in order to assume the status of a "Double Independent Non-executive Director" of NatWest Holdings Limited (the holding company for the Group's ring-fenced operations), The Royal Bank of Scotland plc, National Westminster Bank Plc and Ulster Bank Limited. Yasmin continues to serve on these Boards. During her executive career, Yasmin held Chief Information Officer roles at Bupa and also the Financial Times, where she became the Chief Operating Officer. She previously had a career spanning nearly 20 years at Abbey National PLC, latterly serving as an executive director on the board.

External appointments: Non-executive director of Nation Media Group Limited, Chair of the HR & Remuneration Committee and member of the Strategy & Investments Committee; non-executive director of Guardian Media Group and member of the Remuneration committee.

9 Baroness Noakes, DBE

Appointed 1 August 2011

***Baroness Noakes** is an extremely experienced non-executive director who has served on a range of both public and private sector boards. Baroness Noakes has particular experience of chairing audit and risk committees, and has chaired the Group Board Risk Committee since 2014.*

Experience: Baroness Noakes is an experienced director on UK listed company boards with extensive and varied political and public sector experience. A qualified

chartered accountant, she previously headed KPMG's European and International Government practices and has been President of the Institute of Chartered Accountants in England and Wales. She was appointed to the House of Lords in 2000 and has served on the Conservative front bench in various roles including as shadow Treasury minister between 2003 and May 2010. Baroness Noakes previously held non-executive roles on the Court of the Bank of England, Hanson, ICI, Severn Trent plc, Carpetright plc, John Laing Group plc and SThree plc. She also previously served as Deputy Chair of Ofcom.

External appointments: None

10 Mike Rogers

Appointed: 26 January 2016

***Mike Rogers** is an extremely experienced retail and commercial banker, who adds a valuable customer perspective to Board discussions, drawing upon time spent during his executive career at Barclays and as Chief Executive of Liverpool Victoria Group. This perspective is also relevant to Mike's role as Chairman of the Group Sustainable Banking Committee.*

Experience: Mike was previously Chief Executive of Liverpool Victoria Group for 10 years. Mike has extensive experience in retail banking and financial services. He joined Barclays in 1986 where he undertook a variety of roles in the UK and overseas across business banking, wealth management and retail banking, and was Managing Director of Small Business, Premier Banking and UK Retail Banking.

External appointments: Chairman of Experian plc; Chairman of Aegon UK and Chairman of its Remuneration Committee.

11 Mark Seligman

Appointed: 1 April 2017; Senior Independent Director since 1 January 2018

***Mark Seligman** brings a breadth of knowledge and experience gained as a Boardroom advisor over a 30 year career at the most senior level in investment banking. Mark also brings significant FTSE 100 Senior Independent Director and non-executive director experience gained at G4S, BG Group and Kingfisher.*

Experience: Mark, is a former senior investment banker with broad financial services knowledge, and has substantial FTSE 100 Board experience gained in various industry sectors, including as a Committee Chair and Senior Independent Director. During his executive career, he held various senior roles at Credit Suisse/BZW (including Deputy Chairman, CSFB Europe and Chairman, UK Investment Banking, CSFB); and previously SG Warburg (ultimately as Managing Director, Head of Advisory). He has also previously served as a non-executive Director of BG Group plc and as Deputy Chairman of G4S plc.

External appointments: Senior Independent Director of Kingfisher plc, and non-executive director and chairman of the audit committee of Smiths Group plc.

12 Lena Wilson, CBE

Appointed: 1 January 2018

***Lena Wilson** contributes significant knowledge and experience drawn from a broad-based executive career, including her time as Chief Executive of Scottish Enterprise. Lena provides valuable insights on customer and people issues in particular, and plays a key role as Chairman of our Colleague Advisory Panel.*

Experience: Lena is an experienced CEO with an international career, who spent a significant proportion of her executive career with Scottish Enterprise, latterly as Chief Executive from 2009 until 2017. Prior to that, Lena held the role of Senior Investment Advisor to The World Bank in Washington DC. She is a visiting Professor at the University of Strathclyde and has previously served as a member of Scotland's Financial Services Advisory Board and as Chair of Scotland's Energy Jobs Taskforce. In June 2015 she received a CBE for services to economic development in Scotland. Lena is Chair of the Colleague Advisory Panel established by RBS during 2018.

External appointments: Non-executive director of Intertek Group plc and member of the audit and nomination committees. Senior Independent Director of Argentex Group plc; and non-executive director of Scottish Power Renewables Limited. Visiting Professor, University of Strathclyde Business School. Member of National Advisory Board MCR Pathways, Chairman of Advisory Board of Turtle Pack Ltd and Chair, Chiene + Tait LLP.

Appendix 2

Summary of the principal changes to the Company's articles of association

Shares

1. **Share warrants to bearer:** Under the Current Articles, the Company has the ability to issue 'share warrants to bearer' (bearer shares). Changes brought in by The Small Business, Enterprise and Employment Act 2015 to improve corporate transparency have meant that bearer shares have been abolished. Accordingly, the New Articles do not include any provision to permit the issue of share warrants and remove any articles associated with such.
2. **Removal of rights attaching to share classes no longer in use:** In the period since the adoption of the Current Articles, the issued share capital of the Company has been streamlined meaning that a number of share classes referred to within the Current Articles are now no longer in issue. In the interests of simplification, the New Articles remove all unnecessary references to such redundant classes of shares and each of their respective rights. Removal of these share classes and details of their rights will substantially reduce the length of the New Articles. Please note that the share classes currently in issue and the rights attaching to such shares are unaffected by the changes made in the New Articles.

General Meetings

3. **Hybrid general meeting:** The New Articles clarify that the Company may hold 'hybrid' general meetings which would enable members to attend and participate in the business of the meeting by attending a satellite physical location or by means of an electronic facility or facilities, in accordance with the Companies (Shareholders' Rights) Regulations 2009 and the Companies Act 2006. The New Articles are not intended to permit the Company to hold general meetings wholly by electronic means, and the Company will remain able to hold physical general meetings as at present. The New Articles include a number of consequential changes to enable hybrid meetings.

The Board

4. **Retirement of directors:** The wording relating to the circumstances in which a Director may be required to vacate office due to mental incapacity has been updated to reflect modern market practice. In addition, a Director may be required to vacate office if the other Directors unanimously consider the Director is otherwise mentally incapable of acting as a director.
5. **Directors' decision making:** To better reflect current market practice, the method by which the Directors may signal their agreement with a decision of the board has been extended to permit that such agreement can be provided by electronic means.

Dividends

6. **Interim dividends:** The wording of the provisions which enable the Directors to pay interim dividends has been revised to clarify and simplify the drafting given the passage of time since it was first incorporated into the Current Articles and subsequent amendments having been made. In addition, and in accordance with modern market practice, the wording now protects the Directors from claims in respect of such dividends where they have acted in good faith.
7. **Procedure for payment of dividends:** The New Articles amend the Current Articles to further clarify the provisions on the payment of dividends electronically. This provision is in line with market practice and reflects that increasingly cheques and warrants are no longer the Company's primary methods for paying dividends.

Communications by the Company

8. **Correspondence with shareholders:** The opportunity has been taken to modernise the wording and reflect current practice in respect of the Company's correspondence with shareholders, including permitting correspondence with untraced shareholders by email, and clarifying the address requirements for overseas shareholders.

Appendix 3

Summary of the principal terms of The Royal Bank of Scotland Group plc Employee Share Ownership Plan (“Plan”)

This summary does not form part of the Plan trust deed and rules and should not be taken as affecting the interpretation of their detailed terms and conditions. In the event of any discrepancy between this summary and the Plan trust deed and rules, the trust deed and rules will prevail.

The Board reserves the right, up to the time of the AGM, to make such amendments and additions to the Plan trust deed and rules as may be necessary to ensure that the Plan complies with applicable legislation and guidance or to take account of comments of either the Prudential Regulation Authority or the Financial Conduct Authority (which may include acting in its capacity as the UK Listing Authority) and/or as the Board otherwise sees fit, provided that any such amendments do not conflict in any material respect with this summary.

Overview

The Plan is a UK all-employee share incentive plan that has been designed to comply with the requirements of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 (“ITEPA”) to enable Group employees to acquire RBS shares in a tax-efficient manner. It will replace by renewal the Company’s current share incentive plan, the shareholder approved authority for which is due to expire in April 2020.

The Plan will operate through a UK resident trust (“**Plan Trust**”) to be administered by a professional third-party trustee (“**Trustee**”). The Trustee will acquire shares, by subscription, held in treasury or purchased on the market (most likely market purchased) which are then held on behalf of Plan participants.

The Plan will be operated by the board of directors of the Company.

Eligibility

All UK resident employees (including the executive directors) of the Company or any participating Group company who satisfy the minimum qualifying period specified by the Board in relation to any particular proposed award (not being more than 18 months or such other period as may be specified by the legislation from time to time) are eligible to participate in the Plan on similar terms.

The Board may also allow other employees who meet the qualifying period but whom are not UK-resident taxpayers to participate.

Types of Plan award that may be granted

Under the Plan, the Board may make the following types of award:

- free share award;
- partnership share award; and/or
- matching share award.

Dividend shares may also be acquired by re-investment of dividends paid on the above types of award.

The Board may make different types of award in different financial periods.

The principal features of these different types of award are as follows:

(i) Free Shares

Awards of free Shares (“**Free Shares**”) may be made to participants up to a maximum value of £3,600 per participant in each tax year (or such other maximum from time to time permitted by the legislation). Free Shares must be offered to all participants on similar terms, but the number awarded can be determined by reference to the employee’s remuneration, length of service, number of hours worked and/or the satisfaction of fair and objective performance criteria.

(ii) Partnership Shares

The Board may allow participants the opportunity to purchase Shares ("**Partnership Shares**") out of their pre-tax salary, up to a maximum of £1,800 per tax year or 10% of pre-tax salary if lower (or such other maximum from time to time permitted by the legislation). The purchase price will be deducted from salary subject to a minimum specified by the Board, which may not be greater than £10 on any occasion (or such other amount from time to time specified by the legislation).

The salary allocated to Partnership Shares can be accumulated for a period of up to 12 months ("**Accumulation Period**") or Partnership Shares can be purchased out of deductions from the participant's pre-tax annual basic salary when those deductions are made (as determined by the Board prior to the grant of an award). A participant and the Company may agree to vary the amount of salary deductions and the intervals of those deductions. If there is an Accumulation Period, the number of shares purchased shall be determined by dividing the participant's aggregate pay deducted during the Accumulation Period by the market value of the Partnership Shares either at the beginning of the Accumulation Period or at the date on which the shares are acquired, as determined by the Board.

Once acquired, Partnership Shares may be withdrawn from the Plan by the participant at any time.

(iii) Matching Shares

Participants who purchase Partnership Shares may be given up to two free Shares ("**Matching Shares**") for every purchased Partnership Share. If Matching Shares are allocated, all participants who have purchased Partnership Shares must be awarded Matching Shares on the same basis.

(iv) Dividend Shares

Participants may be required or permitted to purchase additional shares ("**Dividend Shares**") using dividends received by them in respect of their shares held under the Plan.

Holding period and cessation of employment

All Free Shares and Matching Shares must normally remain within the Plan Trust for a period of three to five years, as specified by the Board at the time awards are made, unless the participant ceases to be employed within the Group.

The Board may from time to time determine, in its discretion, that awards of Free and/or Matching Shares shall be made on terms that if participants cease to be employed within the Group within a period specified by the Board at the date the awards are made, those Free Shares and Matching Shares will be forfeited. The Board may also determine that such forfeiture provisions shall not apply where the reason for leaving is death, injury or disability, redundancy, retirement, by reason of a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or by reason of the participant's employing company ceasing to be a member of the Group.

Dividend Shares must be held in the Plan Trust for three years and will not be capable of forfeiture.

Rights relating to shares

Shares held under the Plan shall, subject to the provisions of the Plan, rank *pari passu* in all respects with other shares.

Where shares are held in the Plan Trust on behalf of a participant, the Trustee must comply with any voting instructions given by the participant and otherwise, save as required or permitted by the Plan, deal with a participant's shares only as directed by the participant.

Dilution limits

The maximum number of new shares over which awards may be granted under all employee share plans adopted by the Company including the Plan may not, in any 10-year period, exceed 10% of the number of shares in issue from time to time.

For so long as institutional guidelines recommend, shares transferred from treasury to satisfy awards will count as newly issued shares. Awards which have lapsed or been surrendered will not count.

Corporate events

In the event of a general offer being made to shareholders (or similar takeover event taking place) during a holding period, participants will be able to direct the Trustee to accept the offer in respect of their Plan shares. In the event of a corporate re-organisation, any shares held by participants may be replaced by equivalent shares in a new holding company.

Variation of capital

Shares, or rights to them, acquired by participants on a variation of share capital of the Company will usually be treated in the same way as the shares acquired or awarded under the Plan, in respect of which the rights were conferred and as if they were acquired or awarded at the same time.

Amendments

The Board may amend the Plan.

The prior approval of shareholders in general meeting must be obtained for any amendment to the advantage of participants which is made to those provisions relating to the class of eligible employees, the maximum entitlement of an individual participant, the limits on the number of new shares which may be issued under the Plan, the basis for determining any participant's entitlement to shares, the adjustments that may be made following a rights issue, or any other variation of share capital and the rules relating to such prior shareholder approval for amendments.

The exceptions to obtaining shareholder approval are where the amendments are minor to benefit the administration of the Plan, to take account of a change in legislation or regulation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Plan participants or for any member of the Group.

No amendment can be made if it would mean that the Plan would cease to satisfy the requirements of Schedule 2 to ITEPA.

Rights not pensionable

None of the benefits that may be received under the Plan will be pensionable.

Coronavirus (Covid-19)

In response to the Coronavirus (Covid-19) pandemic, the UK and Scottish Governments have introduced new laws to prevent individuals engaging in non-essential travel and attending public gatherings of more than two people, save where essential for work purposes. The new laws mean that this year's AGM is expected to be held in a format different to that of previous years.

Having taken legal advice, the Board has concluded that, in these exceptional circumstances and to ensure shareholders can comply with the legal requirements currently in place, **they should not be permitted to attend this year's AGM**. Shareholders are therefore being requested to have regard to their own safety and that of others and not to travel to the meeting. **Any shareholders attempting to gain access to the AGM will be excluded from the meeting on grounds of public safety.**

While the pandemic restricts our ability to follow our usual AGM format, we are still legally required to hold our AGM and we intend to do so using the 'essential work purposes' exemption under the new laws. This requires shareholder attendance at the AGM to be limited to only the five shareholders required to form a quorum under our Articles of Association. RBS intends to facilitate the establishment of the quorum, who are essential for the running of the meeting.

We will continue to monitor the evolving impact of the pandemic with the health and safety of our shareholders, customers, colleagues and communities our priority. If it becomes necessary or appropriate to make changes to the proposed format of the 2020 AGM, we will inform shareholders as soon as we can. You are encouraged to monitor our AGM website at www.rbs.com/agm and also announcements via the Regulatory News Service.

Although shareholders will not be able to attend the 2020 AGM in person, they will still be able to ensure their votes are counted by submitting their proxies in advance, either online or by post. Shareholders will also be able to submit questions in advance of the AGM, and answers to questions on key themes will be displayed on www.rbs.com/agm as soon as is practically possible.

Details of how to vote and submit questions in advance of the AGM can be found on page 17.

We also want to ensure that shareholders continue to have the opportunity to engage with the Board. We are, therefore, arranging a special virtual shareholder event to be held shortly after the AGM on 29 April 2020. Details of how shareholders will be able to join the virtual shareholder event and submit questions will be available shortly on www.rbs.com/agm.

In addition to the special virtual shareholder event planned for the day of the AGM, it is our intention to deliver further shareholder events later in 2020. The Board remains committed to proactive shareholder engagement, with such events enabling it to continue its dialogue with shareholders during the year, outside of the AGM. Further information on future shareholder events will be made available at <https://investors.rbs.com/shareholder-centre/shareholder-events.aspx> in the coming months.

