

LAUNCHPAD PROGRAMME

BASE PROSPECTUS RELATING TO TURBOS

DATED: 24 MAY 2013



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# The Royal Bank of Scotland plc

*(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)*

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BASE PROSPECTUS RELATING TO

**TURBOS**

THE ROYAL BANK OF SCOTLAND PLC

LAUNCHPAD PROGRAMME

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THIS DOCUMENT CONSTITUTES A BASE PROSPECTUS (THE "BASE PROSPECTUS") RELATING TO THE ISSUANCE OF "TURBOS" STRUCTURED SECURITIES (THE "SECURITIES") BY THE ROYAL BANK OF SCOTLAND PLC (THE "ISSUER") UNDER ITS LAUNCHPAD PROGRAMME (THE "PROGRAMME").

PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE SECURITIES. THE MARKET PRICE AND/OR VALUE OF THE SECURITIES MAY BE VOLATILE AND HOLDERS OF THE SECURITIES MAY SUSTAIN A TOTAL LOSS IN THE VALUE OF THEIR INVESTMENT. PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES. PLEASE REFER, IN PARTICULAR, TO THE SECTIONS "RISK FACTORS" IN THIS BASE PROSPECTUS AND IN THE REGISTRATION DOCUMENT AND IN ANY SUPPLEMENTS TO THOSE DOCUMENTS FOR A MORE COMPLETE EXPLANATION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES.

SERIES OF SECURITIES TO BE ISSUED UNDER THE PROGRAMME DESCRIBED BY THIS BASE PROSPECTUS (THE "PROGRAMME") MAY BE RATED OR UNRATED. WHERE A SERIES OF SECURITIES IS TO BE RATED, SUCH RATING WILL NOT NECESSARILY BE THE SAME AS ANY RATING ASSIGNED TO ANY SECURITIES ALREADY ISSUED. WHETHER OR NOT A RATING IN RELATION TO ANY SERIES OF SECURITIES WILL BE TREATED AS HAVING BEEN ISSUED BY A CREDIT RATING AGENCY ESTABLISHED IN THE EUROPEAN UNION AND REGISTERED UNDER REGULATION (EC) NO 1060/2009 ON CREDIT RATING AGENCIES (THE "CRA REGULATION") WILL BE DISCLOSED IN THE RELEVANT FINAL TERMS. A SECURITY RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUBJECT TO SUSPENSION, REDUCTION OR WITHDRAWAL AT ANY TIME BY THE ASSIGNING RATING AGENCY.

THE CREDIT RATINGS INCLUDED AND REFERRED TO IN THIS BASE PROSPECTUS (INCLUDING DOCUMENTS INCORPORATED BY REFERENCE HEREIN) HAVE BEEN ISSUED BY STANDARD & POOR'S CREDIT MARKET SERVICES EUROPE LIMITED, FITCH RATINGS LIMITED AND MOODY'S INVESTORS SERVICE LIMITED, EACH OF WHICH IS ESTABLISHED IN THE EUROPEAN UNION AND IS REGISTERED UNDER THE CRA REGULATION.

*Dealer*  
*The Royal Bank of Scotland plc*

## **BASE PROSPECTUS**

THIS BASE PROSPECTUS CONSTITUTES A BASE PROSPECTUS FOR THE PURPOSES OF ARTICLE 5.4 OF DIRECTIVE 2003/71/EC AS AMENDED BY DIRECTIVE 2010/73/EU (THE "**PROSPECTUS DIRECTIVE**").

### **RESPONSIBILITY STATEMENT**

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS, AS COMPLETED BY THE RELEVANT FINAL TERMS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE ISSUER (WHICH HAS TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

### **CONSENT TO USE THIS BASE PROSPECTUS**

IF SO SPECIFIED IN THE FINAL TERMS IN RESPECT OF ANY PARTICULAR ISSUANCE OF SECURITIES, THE ISSUER CONSENTS TO THE USE OF THIS BASE PROSPECTUS IN CONNECTION WITH THE MAKING OF AN OFFER OF THE SECURITIES TO THE PUBLIC REQUIRING THE PRIOR PUBLICATION OF A PROSPECTUS UNDER THE PROSPECTUS DIRECTIVE (A "**NON-EXEMPT OFFER**") (A) BY THE FINANCIAL INTERMEDIARY/IES (EACH, AN "**AUTHORISED OFFEROR**"), (B) DURING THE OFFER PERIOD AND (C) SUBJECT TO THE RELEVANT CONDITIONS, IN EACH CASE AS SPECIFIED IN THE RELEVANT FINAL TERMS.

THE CONSENT SHALL BE VALID IN RELATION TO THE NETHERLANDS AND EACH OTHER MEMBER STATE THE COMPETENT AUTHORITY OF WHICH HAS BEEN PROVIDED WITH A CERTIFICATE OF APPROVAL BY THE COMPETENT AUTHORITY IN RELATION TO THIS BASE PROSPECTUS UNDER ARTICLE 18 OF THE PROSPECTUS DIRECTIVE, PROVIDED THAT IT SHALL BE A CONDITION OF SUCH CONSENT THAT THE BASE PROSPECTUS MAY ONLY BE USED BY THE RELEVANT AUTHORISED OFFEROR(S) TO MAKE OFFERINGS OF THE RELEVANT SECURITIES IN THE JURISDICTION(S) IN WHICH THE NON-EXEMPT OFFER IS TO TAKE PLACE, AS SPECIFIED IN THE RELEVANT FINAL TERMS.

THE ISSUER MAY (A) GIVE CONSENT TO ONE OR MORE ADDITIONAL AUTHORISED OFFERORS AFTER THE DATE OF THE RELEVANT FINAL TERMS, (B) DISCONTINUE OR CHANGE THE OFFER PERIOD, AND/OR (C) REMOVE OR ADD CONDITIONS AND, IF IT DOES SO, SUCH INFORMATION IN RELATION TO THE RELEVANT SECURITIES WILL BE PUBLISHED BY WAY OF NOTICE WHICH WILL BE AVAILABLE AT [HTTP://MARKETS.RBS.COM](http://markets.rbs.com). THE CONSENT RELATES ONLY TO OFFER PERIODS OCCURRING WITHIN 12 MONTHS FROM THE DATE OF THIS BASE PROSPECTUS.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE CONTENT OF THIS BASE PROSPECTUS IN RELATION TO ANY PERSON (AN "**INVESTOR**") PURCHASING SECURITIES PURSUANT TO A NON-EXEMPT OFFER WHERE THE OFFER TO THE INVESTOR IS MADE (A) BY AN AUTHORISED OFFEROR (OR THE ISSUER OR ANY DEALER), (B) IN A MEMBER STATE FOR WHICH THE ISSUER HAS GIVEN ITS CONSENT, (C) DURING THE OFFER PERIOD FOR WHICH THE CONSENT IS GIVEN AND (D) IN COMPLIANCE WITH THE OTHER CONDITIONS ATTACHED TO THE GIVING OF THE CONSENT. HOWEVER, NEITHER THE ISSUER NOR ANY DEALER HAS ANY RESPONSIBILITY FOR ANY OF THE ACTIONS OF ANY AUTHORISED OFFEROR, INCLUDING COMPLIANCE BY AN AUTHORISED OFFEROR WITH APPLICABLE CONDUCT OF BUSINESS RULES OR OTHER LOCAL REGULATORY REQUIREMENTS OR OTHER SECURITIES LAW REQUIREMENTS IN RELATION TO SUCH OFFER.

OTHER THAN IN ACCORDANCE WITH THE TERMS SET FORTH IN THE PARAGRAPH ABOVE, THE ISSUER HAS NOT AUTHORISED (AND NOR HAS ANY DEALER) THE MAKING OF ANY NON-EXEMPT OFFERS OF THE SECURITIES OR THE USE OF THIS BASE PROSPECTUS BY ANY PERSON. NO FINANCIAL INTERMEDIARY OR ANY OTHER PERSON IS PERMITTED TO USE THIS BASE PROSPECTUS IN CONNECTION WITH ANY OFFER OF THE SECURITIES IN ANY OTHER CIRCUMSTANCES. ANY SUCH OFFERS ARE NOT MADE ON BEHALF OF THE ISSUER (OR ANY DEALER) AND NEITHER THE ISSUER NOR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO ANY INVESTOR PURCHASING SECURITIES PURSUANT TO SUCH OFFER OR FOR THE ACTIONS OF ANY PERSON MAKING SUCH OFFER.

**INVESTORS INTENDING TO PURCHASE SECURITIES FROM AN AUTHORISED OFFEROR WILL DO SO, AND SUCH OFFER AND SALE WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND THE INVESTOR, INCLUDING AS TO PRICE AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS AND, ACCORDINGLY, THIS BASE PROSPECTUS DOES NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF SUCH OFFER SHOULD BE PROVIDED TO THE INVESTOR BY THAT AUTHORISED OFFEROR AND NEITHER THE ISSUER NOR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION (OTHER THAN WHERE SUCH INFORMATION IS CONTAINED IN THIS BASE PROSPECTUS, AS COMPLETED BY THE RELEVANT FINAL TERMS).**

## **ISSUANCE ON CONTINUOUS BASIS**

THE SECURITIES MAY BE ISSUED ON A CONTINUING BASIS TO THE ROYAL BANK OF SCOTLAND PLC AND/OR ANY ADDITIONAL DEALER APPOINTED UNDER THE PROGRAMME FROM TIME TO TIME, WHICH APPOINTMENT MAY BE FOR A SPECIFIC ISSUE OR ON AN ONGOING BASIS (EACH A "**DEALER**" AND TOGETHER THE "**DEALERS**").

## **LISTING**

APPLICATION WILL BE MADE TO NYSE Euronext FOR SECURITIES TO BE ADMITTED TO TRADING AND LISTED ON Euronext Amsterdam N.V. ("**EURONEXT AMSTERDAM**") BY NYSE Euronext UP TO THE EXPIRY OF 12 MONTHS FROM THE DATE OF THIS BASE PROSPECTUS. IN ADDITION, SECURITIES MAY BE LISTED OR ADMITTED TO TRADING, AS THE CASE MAY BE, ON ANY OTHER STOCK EXCHANGE OR MARKET SPECIFIED IN THE RELEVANT FINAL TERMS. THE ISSUER MAY ALSO ISSUE UNLISTED SECURITIES.

REFERENCES IN THIS PROGRAMME TO SECURITIES BEING "LISTED" (AND ALL RELATED REFERENCES) SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES, MEAN THAT SUCH SECURITIES WILL BE ADMITTED TO TRADING AND WILL BE LISTED ON Euronext Amsterdam OR ANY OTHER REGULATED MARKET FOR THE PURPOSES OF DIRECTIVE 2004/39/EC (THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE) OR ANY OTHER STOCK EXCHANGE OR MARKET SPECIFIED IN THE RELEVANT FINAL TERMS.

## **FORM OF SECURITIES**

THE SECURITIES, WHICH ARE BEING SOLD ONLY TO NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF REGULATION S, MAY BE ISSUED IN GLOBAL BEARER FORM OR DEMATERIALIZED FORM.

## **NO OTHER INFORMATION OR REPRESENTATIONS AND NOT A RECOMMENDATION**

NEITHER THE ISSUER NOR ANY DEALER HAS AUTHORISED THE MAKING OR PROVISION OF ANY REPRESENTATION OR INFORMATION REGARDING THE ISSUER OR ANY SECURITIES OTHER THAN THOSE CONTAINED IN THIS BASE PROSPECTUS AND, IF GIVEN OR MADE BY ANY PERSON, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ANY DEALER. NEITHER THE DELIVERY OF THIS DOCUMENT NOR THE DELIVERY OF ANY OTHER DOCUMENTS OF THE PROGRAMME NOR ANY INFORMATION PROVIDED IN THE COURSE OF A TRANSACTION IN SECURITIES SHALL, IN ANY CIRCUMSTANCES, BE CONSTRUED AS A RECOMMENDATION BY THE ISSUER OR ANY DEALER TO ENTER INTO ANY TRANSACTION WITH RESPECT TO ANY SECURITIES. EACH PROSPECTIVE INVESTOR CONTEMPLATING A PURCHASE OF SECURITIES SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE RISKS ASSOCIATED WITH A TRANSACTION INVOLVING ANY SECURITIES.

## **NO POST-ISSUANCE REPORTING**

THE DELIVERY OF THIS DOCUMENT DOES NOT AT ANY TIME IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE OF THIS BASE PROSPECTUS OR THE DATE UPON WHICH THIS BASE PROSPECTUS HAS BEEN MOST RECENTLY AMENDED OR SUPPLEMENTED. THE ISSUER DOES NOT INTEND TO PROVIDE ANY POST-ISSUANCE INFORMATION.

## **THE DISTRIBUTION OF THIS BASE PROSPECTUS IS RESTRICTED**

THE DISTRIBUTION OF THIS DOCUMENT AND THE OFFERING, SALE AND DELIVERY OF THE SECURITIES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED BY THE ISSUER TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, SALES AND DELIVERIES OF SECURITIES AND THE DISTRIBUTION OF THIS DOCUMENT AND OTHER OFFERING MATERIAL RELATING TO THE SECURITIES PLEASE REFER TO "SELLING RESTRICTIONS" IN THIS BASE PROSPECTUS.

## **UNITED STATES RESTRICTIONS**

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT AT ANY TIME BE OFFERED, SOLD, TRANSFERRED, EXERCISED OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON. SECURITIES IN BEARER FORM MAY BE SUBJECT TO U.S. TAX REQUIREMENTS. THE SECURITIES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN

REGULATION S UNDER THE SECURITIES ACT) IN OFFSHORE TRANSACTIONS THAT MEET THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED (THE "**CEA**") AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.

#### **SWISS NOTICE**

THE SECURITIES DO NOT CONSTITUTE UNITS OF COLLECTIVE INVESTMENT SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("**CISA**") AND ARE NOT SUBJECT TO THE APPROVAL OF, OR SUPERVISION BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("**FINMA**"). HOLDERS OF THE SECURITIES ARE EXPOSED TO THE CREDIT RISK OF THE ISSUER.

#### **THIRD PARTY INFORMATION**

WHERE INFORMATION HAS BEEN SOURCED FROM A THIRD PARTY, THE ISSUER CONFIRMS THAT THIS INFORMATION HAS BEEN ACCURATELY REPRODUCED AND THAT AS FAR AS THE ISSUER IS AWARE AND IS ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

THIS BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH ALL DOCUMENTS THAT ARE DEEMED TO BE INCORPORATED HEREIN BY REFERENCE AND SHALL BE READ AND CONSTRUED ON THE BASIS THAT SUCH DOCUMENTS ARE INCORPORATED IN AND FORM PART OF THE BASE PROSPECTUS.

#### **STABILISATION**

IN CONNECTION WITH THE ISSUE OF ANY SERIES OF SECURITIES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT SERIES OF SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT SERIES OF SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT SERIES OF SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

#### **UK TAX NOTICE**

FOR UNITED KINGDOM TAX PURPOSES, THE TERM "SECURITY" OR "SECURITIES" REFERS TO INSTRUMENTS OF THE TYPE DESCRIBED IN THIS BASE PROSPECTUS AND IS NOT INTENDED TO BE DETERMINATIVE (OR INDICATIVE) OF THE NATURE OF THE INSTRUMENT FOR THE PURPOSES OF UNITED KINGDOM TAXATION.

#### **SIS SWISS EXCHANGE LTD.**

THIS BASE PROSPECTUS WILL BE FILED WITH THE SIS SWISS EXCHANGE LTD AND APPLICATION MAY BE MADE TO LIST THE SECURITIES UNDER THE PROGRAMME ON THE SIX SWISS EXCHANGE LTD. IN RESPECT OF SECURITIES TO BE LISTED ON THE SIX SWISS EXCHANGE LTD, THE PROGRAMME, TOGETHER WITH THE FINAL TERMS, WILL CONSTITUTE THE LISTING PROSPECTUS PURSUANT TO THE LISTING RULES OF THE SIX SWISS EXCHANGE LTD.

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**SUMMARY**

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*Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary relating to the Securities and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the Securities and the Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable". Certain provisions of this summary appear in square brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular series (a "**Series**") of Securities and the completed summary in relation to such Series shall be appended to the relevant Final Terms.*

<b>SECTION A – INTRODUCTION AND WARNINGS</b>		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<p>This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
<b>A.2</b>	<b>Consent(s):</b>	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of [Give details] Authorised Offeror(s):</p> <p>(b) Offer period for which use [Give details] of the Base Prospectus is authorised by the Authorised Offeror(s):</p> <p>(c) Conditions to the use of The Base Prospectus may only the Base Prospectus by the be used by the Authorised Authorised Offeror(s): Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]</p> <p><b>If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance</b></p>

		<p>with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]</p> <p>[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]</p>
<b>SECTION B – ISSUER</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer:</b>	The Royal Bank of Scotland plc (the " <b>Issuer</b> " or " <b>RBS plc</b> ").
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which it operates and country of incorporation of Issuer:</b>	The Issuer is a public limited company incorporated in Scotland with registration number SC090312 and was incorporated under Scots law on 31 October 1984.
<b>B.4b</b>	<b>Known trends with respect to the Issuer:</b>	<p><b>Key broad trends which affect the businesses and performance of the Issuer, the Group and the RBS Group (each as defined in B.5 below):</b></p> <p>The RBS Group's businesses, earnings and financial condition have been and will continue to be negatively affected by global economic conditions, the instability in the global financial markets, increased competition and political risks including proposed referenda on Scottish independence and UK membership of the EU. Together with a perceived increased risk of default on the sovereign debt of certain European countries and unprecedented stresses on the financial system within the Eurozone, these factors have resulted in significant changes in market conditions including interest rates, foreign exchange rates, credit spreads and other market factors and consequent changes in asset valuations and have, in part, contributed to continued pressure on revenues, margins and return on equity across the financial sector. The actual or perceived failure or worsening credit of the RBS Group's counterparties or borrowers and depressed asset valuations resulting from poor market conditions have adversely affected and could continue to adversely affect the Group. The RBS Group's ability to meet its obligations including its funding commitments depends on the RBS Group's ability to access sources of liquidity and funding. The inability to access liquidity and funding due to market conditions or otherwise could adversely affect the RBS Group's financial condition. Furthermore, the RBS Group's borrowing costs and its access to the debt capital markets and other sources of liquidity depend significantly on its and the UK Government's credit ratings.</p> <p>The RBS Group is subject to a number of regulatory initiatives which may adversely affect its business, including the UK Government's implementation of the final recommendations of the Independent</p>



		<p>Commission on Banking's final report on competition and possible structural reforms in the UK banking industry and the US Federal Reserve's proposal for applying US capital, liquidity and enhanced prudential standards to certain of the RBS Group's US operations. The RBS Group's business performance, financial condition and capital and liquidity ratios could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements, including those arising out of Basel III implementation (globally or by European or UK authorities). As a result of the UK Government's majority shareholding in RBSG it can, and in the future may decide to, exercise a significant degree of influence over the RBS Group including on dividend policy, modifying or cancelling contracts or limiting the RBS Group's operations. The offer or sale by the UK Government of all or a portion of its shareholding in RBSG could affect the market price of the equity shares and other securities and acquisitions of ordinary shares by the UK Government (including through conversions of other securities or further purchases of shares). RBSG or any of its UK bank subsidiaries may face the risk of full nationalisation or other resolution procedures and various actions could be taken by or on behalf of the UK Government, including actions in relation to any securities issued, new or existing contractual arrangements and transfers of part or all of the RBS Group's businesses.</p> <p>The RBS Group is subject to substantial regulation and oversight, and any significant regulatory, accounting or legal developments could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition. The RBS Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects that environment to continue for the foreseeable future, particularly as it relates to compliance with new and existing corporate governance, employee compensation, conduct of business, anti-money laundering and anti-terrorism laws and regulations, as well as the provisions of applicable sanctions programmes and the impact of the increasing focus on conduct risk and customer outcomes. In addition, the RBS Group is, and may be, subject to litigation and regulatory investigations that may impact its business, results of operations and financial condition.</p> <p>The RBS Group's ability to implement its strategic plan depends on the success of its efforts to refocus on its core strengths and its balance sheet reduction programme. As part of the RBS Group's strategic plan and implementation of the state aid restructuring plan agreed with the European Commission and HM Treasury, the RBS Group is undertaking an extensive restructuring which may adversely affect the Group's business, results of operations and financial condition and give rise to increased operational risk. The ability to dispose of assets and the price achieved for such disposals will be dependent on prevailing economic and market conditions, which remain challenging, and there is no assurance that the RBS Group will be able to sell or run-down (as applicable) those remaining businesses it is seeking to exit or asset portfolios it is seeking to sell either on favourable economic terms to the RBS Group or at all. Any significant developments in regulatory or tax legislation could have an effect on how the Group conducts its business and on its results of operations and financial condition, and the recoverability of certain deferred tax assets recognised by the RBS Group is subject to uncertainty. The RBS Group may be required to make contributions to its pension schemes and government compensation schemes, either of which may have an adverse impact on the Group's results of operations, cash flow and financial condition.</p>
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<b>B.5</b>	<b>The Issuer's group:</b>	<p>The Issuer (together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "<b>Group</b>") is a wholly owned subsidiary of The Royal Bank of Scotland Group plc ("<b>RBSG</b>").</p> <p>RBSG is the holding company of a large global banking and financial services group (RBSG, together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "<b>RBS Group</b>"). Headquartered in Edinburgh, the RBS Group operates in the United Kingdom, the United States and internationally through its principal subsidiaries, the Issuer and National Westminster Bank Plc ("<b>NatWest</b>"). Both the Issuer and NatWest are major United Kingdom clearing banks.</p> <p>In the United States, the RBS Group's subsidiary, RBS Citizens Financial Group, Inc., is a large commercial banking organisation. Globally, the RBS Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.</p> <p>The principal subsidiary undertakings of RBS plc are:</p> <ul style="list-style-type: none"> <li>◦ National Westminster Bank Plc</li> <li>◦ RBS Citizens Financial Group, Inc.</li> <li>◦ Coutts &amp; Company</li> <li>◦ RBS Securities Inc.</li> <li>◦ Ulster Bank Limited</li> </ul>																																																
<b>B.9</b>	<b>Profit forecast or estimate:</b>	Not applicable; no profit forecasts or estimates have been made by the Issuer.																																																
<b>B.10</b>	<b>Qualifications in the audit report on the historical financial information:</b>	Not applicable; there are no qualifications in the audit report of the Issuer on its historical financial information.																																																
<b>B.12</b>	<b>Selected historical key financial information of the Issuer:</b>	<table> <tr> <td></td><th colspan="2"><i>Year ended 31 December</i></th></tr> <tr> <td></td><th><i>2012</i></th><th><i>2011</i></th></tr> <tr> <td></td><th><i>£m (audited)</i></th><th><i>£m (audited)</i></th></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td>Operating loss before tax</td><td>(3,412)</td><td>(864)</td></tr> <tr> <td>Tax charge</td><td>(364)</td><td>(731)</td></tr> <tr> <td>Loss for the year</td><td><hr/>(3,776)<hr/></td><td><hr/>(1,595)<hr/></td></tr> <tr> <td></td><td colspan="2"><i>Year ended 31 December</i></td></tr> <tr> <td></td><td><i>2012</i></td><td><i>2011</i></td></tr> <tr> <td></td><td><i>£m (audited)</i></td><td><i>£m (audited)</i></td></tr> <tr> <td></td><td><hr/></td><td><hr/></td></tr> <tr> <td>Called-up share capital</td><td>6,609</td><td>6,609</td></tr> <tr> <td>Reserves</td><td>52,679</td><td>55,117</td></tr> <tr> <td>Owners' equity</td><td><hr/>59,288</td><td><hr/>61,726</td></tr> <tr> <td>Non-controlling interests</td><td>137</td><td>128</td></tr> <tr> <td>Subordinated liabilities</td><td>33,851</td><td>32,324</td></tr> </table>		<i>Year ended 31 December</i>			<i>2012</i>	<i>2011</i>		<i>£m (audited)</i>	<i>£m (audited)</i>		<hr/>	<hr/>	Operating loss before tax	(3,412)	(864)	Tax charge	(364)	(731)	Loss for the year	<hr/> (3,776) <hr/>	<hr/> (1,595) <hr/>		<i>Year ended 31 December</i>			<i>2012</i>	<i>2011</i>		<i>£m (audited)</i>	<i>£m (audited)</i>		<hr/>	<hr/>	Called-up share capital	6,609	6,609	Reserves	52,679	55,117	Owners' equity	<hr/> 59,288	<hr/> 61,726	Non-controlling interests	137	128	Subordinated liabilities	33,851	32,324
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	<b>No material adverse change in prospects:</b>	There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2012.																								
	<b>Significant change in financial or trading position:</b>	There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2012.																								
<b>B.13</b>	<b>Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:</b>	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																								
<b>B.14</b>	<b>Issuer's position in its corporate group and dependency on other entities within the corporate group:</b>	See Element B.5 above.																								
<b>B.15</b>	<b>Issuer's principal activities:</b>	<p>The Group's principal activities are organised in the following segments:</p> <ul style="list-style-type: none"> <li>• <b>Retail and Commercial:</b> <ul style="list-style-type: none"> <li>◦ <i>UK Retail:</i> a comprehensive range of banking products and related financial services to the personal market in the United Kingdom</li> <li>◦ <i>UK Corporate:</i> banking, finance and risk management services to the corporate and small and medium-size enterprise (SME) sector in the United Kingdom</li> <li>◦ <i>Wealth:</i> private banking and investment services</li> <li>◦ <i>International Banking:</i> financing, transaction services and risk management</li> <li>◦ <i>Ulster Bank:</i> a comprehensive range of financial services through</li> </ul> </li> </ul>																								

		<p>both its retail and corporate banking divisions</p> <ul style="list-style-type: none"> <li>◦ <i>US Retail and Commercial</i>: financial services primarily through the Citizens and Charter One brands</li> <li>• <b>Markets</b>: an origination, sales and trading business across debt finance, fixed income, currencies and investor products</li> <li>• <b>Central Functions</b>: comprises Group and corporate functions, such as treasury, finance, risk management, legal, communications and human resources</li> <li>• <b>Non-Core</b>: manages separately assets that the Group intends to run off or dispose of</li> <li>• <b>Business Services</b>: supports the customer-facing businesses and provides operational technology, customer support in telephony, account management, lending and money transmission, global purchasing, property and other services</li> </ul>
<b>B.16</b>	<b>Ownership and control of the Issuer:</b>	See Element B.5 above.
<b>SECTION C – SECURITIES</b>		
<b>C.1</b>	<b>Type and class of securities being offered:</b>	<p>The Securities are [Commodity Futures Contract Turbo Long Certificates] [Commodity Futures Contract Turbo Short Certificates] [Commodity Turbo Long Certificates] [Commodity Turbo Short Certificates] [Currency Turbo Long Certificates] [Currency Turbo Short Certificates] [Fund Turbo Long Certificates] [Government Bond Futures Contract Turbo Long Certificates] [Government Bond Futures Contract Turbo Short Certificates] [Index Futures Contract Turbo Long Certificates] [Index Futures Contract Turbo Short Certificates] [Index Turbo Long Certificates] [Index Turbo Short Certificates] [Single Stock Turbo Long Certificates] [Single Stock Turbo Short Certificates] [Constant Leverage Index Turbo Long Certificates] [Constant Leverage Index Turbo Short Certificates] [Constant Leverage Single Stock Turbo Long Certificates] [Constant Leverage Single Stock Turbo Short Certificates] [Commodity Booster Turbo Long Certificates] [Commodity Booster Turbo Short Certificates] [Currency Booster Turbo Long Certificates] [Currency Booster Turbo Short Certificates] [Index Booster Turbo Long Certificates] [Index Booster Turbo Short Certificates].</p> <p><i>[If the Securities are issued in bearer form:</i> The Securities are issued in bearer form and represented by a global security.]</p> <p><i>[If the Securities are issued in dematerialised form:</i> The Securities are issued in dematerialised and uncertificated form and will be registered in the book-entry system of [Euroclear Finland Oy] [Euroclear Sweden AB] [Euroclear Netherlands] [<i>clearing system</i>].]</p> <p><i>[If the Securities are issued in dematerialised form and cleared through SIX SIS Ltd:</i> The Securities are issued in dematerialised form and will be transformed into intermediated securities in accordance with article 6 of the Swiss Federal Intermediated Securities Act.]</p> <p>The Securities of a Series will be uniquely identified by [ISIN] [<i>Include if more than one Series:</i> the number set out in the column entitled "ISIN" corresponding to such Series in the table attached].</p>

C.2	<b>Currency:</b>	<p>The Securities will be issued in and any cash amount will be payable in the Settlement Currency.</p> <p>The "<b>Settlement Currency</b>" is [currency] [Include if more than one Series: in respect of each Series, the currency set out in the column entitled "Settlement Currency" corresponding to such Series in the table attached].</p>
C.5	<b>Restrictions on free transferability:</b>	<p>The Securities may not at any time be offered, sold, transferred, exercised or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.</p> <p>No offers, sales or deliveries of the Securities may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p> <p><b>ERISA Restrictions:</b> The Securities may not be acquired except subject to certain restrictions by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code, as amended.</p>
C.8	<b>Rights attached to the Securities, including ranking and limitations:</b>	<p><b>Status and ranking</b></p> <p>The Securities will be unsecured and unsubordinated obligations of the Issuer, ranking equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by law.</p> <p><b>Exercise</b></p> <p>The Securities do not have a fixed maturity or expiration date, and may be terminated in one of the following ways:</p> <ul style="list-style-type: none"> <li>(a) <b>Exercise by Holder:</b> upon due exercise by a holder on the specified Exercise Date;</li> <li>(b) <b>Issuer Call:</b> if the Issuer terminates the Securities, in whole but not in part, by giving notice to Holders at any time from, and including, the Issuer Call Commencement Date; or</li> <li>(c) <b>Stop Loss Event:</b> if a Stop Loss Event (see Element C.18 below) has occurred.</li> </ul> <p>Each Security, upon an Exercise by Holder, an Issuer Call or following the occurrence of a Stop Loss Event, as the case may be, entitles its holder to receive the Cash Amount (which may be zero) from the Issuer on the Settlement Date. See Element C.18 below.</p> <p><b>Unscheduled early termination</b></p> <p>The Issuer may terminate the Securities early for reasons of illegality or tax [insert, unless "Early termination for illiquidity" is not applicable: or illiquidity], or due to certain events impairing the Issuer's hedge positions or affecting the Reference Asset. In such case, the amount payable on such early termination shall be equal to the fair market value of the Securities [include unless not applicable: , less the cost to the Issuer of unwinding any related hedging arrangements].</p> <p><b>Adjustments</b></p> <p>The Issuer or Calculation Agent (as applicable) may adjust the terms and conditions of the Securities to account for certain events impairing the Issuer's hedge positions or affecting the underlying Reference Asset.</p> <p><b>Payment disruption</b></p> <p>The Issuer may delay payment of any amounts owed under the</p>

		<p>Securities upon the occurrence of certain events that disrupt the Issuer's ability to make such payment in the currency in which such payment is due, and in certain circumstances may make the outstanding payment in an alternate currency.</p> <p><b>Events of Default</b></p> <p>The terms and conditions of the Securities contain the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default by the Issuer in payment of any principal or interest due in respect of the Securities for more than 10 days;</li> <li>(b) non-performance or non-observance by the Issuer of any of its other obligations under the Securities continuing for at least 60 days; and</li> <li>(c) events relating to the winding-up of the Issuer.</li> </ul> <p><b>Force Majeure</b></p> <p>The Issuer will be excused from having to make payments (and perform any of its other obligations) under the Securities where and for so long as the delay or non-performance is, in the determination of the Issuer, arising out of or due to the occurrence of a "force majeure event". If a "force majeure event" continues for more than three months, any Holder may declare a Security to be immediately due and payable. The amount payable on such early termination shall be equal to the fair market value of the Securities [<i>include unless not applicable</i>: , less the cost to the Issuer of unwinding any related hedging arrangements].</p> <p><b>Substitution</b></p> <p>The Issuer may at any time, without the consent of the Holders, substitute for itself as Issuer of the Securities, (a) any successor in business to it, (b) its parent holding company or (c) any other entity subject to the grant of a guarantee by the Issuer of its obligations under the Securities.</p> <p><b>Governing Law</b></p> <p>The Securities are governed by English law.</p>
C.11	<b>Admission to trading:</b>	[Application [will be] [has been] made for the Securities to be admitted to trading on [Euronext Amsterdam N.V. by NYSE Euronext] [NYSE Euronext Paris] [Scoach Switzerland Ltd.] [Nordic Growth Market - (NGM) - NDX (Nordic Derivatives Exchange)] [the Regulated Market of the Luxembourg Stock Exchange] [ <i>exchange</i> ].] [The Securities are not listed.]
C.15	<b>Effect of underlying instrument(s) on value of investment:</b>	The value of the Securities will depend on the value of the Reference Asset, as set out in Element C.18 below.
C.16	<b>Settlement Date:</b>	[ <i>If the Securities are Turbo Certificates or Constant Leverage Turbo Certificates</i> : A day falling not later than the [5 <sup>th</sup> ] [10 <sup>th</sup> ] [ <i>number</i> ] business day following, in respect of the payment of (a) the Exercise Cash Amount, the Valuation Date, (b) the Stop Loss Cash Amount, the last day of the Stop Loss Termination Valuation Period, or (c) the Issuer Call Cash Amount, the Issuer Call Date] [ <i>If the Securities are Booster Turbo Certificates</i> : (a) In respect of payment of the Exercise Cash Amount or Issuer Call Cash Amount, a day falling not later than the [5 <sup>th</sup> ] [10 <sup>th</sup> ] [ <i>number</i> ] business day following, the Valuation Date or the Issuer

		Call Date, as the case may be, or (b) if a Stop Loss Event has occurred on any day, such day].
C.17	<b>Settlement procedure:</b>	<p>The Securities will be delivered on the issue date against payment of the issue price. Settlement procedures will vary depending on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The Securities are cleared through [Euroclear S.A./N.V.] [Clearstream Banking, société anonyme] [SIX SIS Ltd] [Euroclear Finland Oy] [Euroclear Sweden AB] [Euroclear Netherlands] [<i>specify other</i>].</p>
C.18	<b>Return on the Securities:</b>	<p><b>Cash Amount</b></p> <p>The Cash Amount payable by the Issuer in respect of each Security on the Settlement Date shall be the amount determined in accordance with the manner of exercise and termination, as follows:</p> <ul style="list-style-type: none"> <li>(a) if settlement is being made pursuant to an Exercise by Holder, the Exercise Cash Amount;</li> <li>(b) if settlement is being made pursuant to an Issuer Call, the Issuer Call Cash Amount; or</li> <li>(c) [<i>If the Securities are Turbo Certificates or Constant Leverage Turbo Certificates:</i> if settlement is being made pursuant to the occurrence of a Stop Loss Event, the Stop Loss Cash Amount.] [<i>If the Securities are Booster Turbo Certificates:</i> if the Securities are terminated following the occurrence of a Stop Loss Event, the Stop Loss Cash Amount shall be zero, and Holders shall not be entitled to any payment in respect of the Securities on the Settlement Date.]</li> </ul> <p>For such purpose, a Stop Loss Event will take priority over an Exercise by Holder or Issuer Call if the former occurs on or prior to the Valuation Date or Issuer Call Date.</p> <p><b>Exercise Cash Amount:</b></p> <p>[<i>If the Securities are Turbo Long Certificates or Booster Turbo Long Certificates:</i> The amount equal to (a) the <i>product</i> of (i) the Reference Price of the Reference Asset on the Valuation Date (the "<b>Final Reference Price</b>"), <i>minus</i> the Current Financing Level on or around the Valuation Date, and (ii) the Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p>[<i>If the Securities are Turbo Short Certificates or Booster Turbo Short Certificates:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or around the Valuation Date, <i>minus</i> the Reference Price of the Reference Asset on the Valuation Date (the "<b>Final Reference Price</b>"), and (ii) the Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p>[<i>If the Securities are Constant Leverage Turbo Long Certificates:</i> The amount equal to (a) the <i>product</i> of (i) the Reference Price of the Reference Asset on the Valuation Date (the "<b>Final Reference Price</b>"), <i>minus</i> the Current Financing Level on or around the Valuation Date, and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p>[<i>If the Securities are Constant Leverage Turbo Short Certificates:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or</p>

		<p>around the Valuation Date, <i>minus</i> the Reference Price of the Reference Asset on the Valuation Date (the "<b>Final Reference Price</b>"), and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <hr/> <p><b>Issuer Call Cash Amount:</b></p> <p><i>[If the Securities are Turbo Long Certificates or Booster Turbo Long Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Reference Price of the Reference Asset on the Issuer Call Date (the "<b>Termination Reference Price</b>"), <i>minus</i> the Current Financing Level on or around the Issuer Call Date, and (ii) Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Turbo Short Certificates or Booster Turbo Short Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or around the Issuer Call Date, <i>minus</i> the Reference Price of the Reference Asset on the Issuer Call Date (the "<b>Termination Reference Price</b>"), and (ii) Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Constant Leverage Turbo Long Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Reference Price of the Reference Asset on the Issuer Call Date (the "<b>Termination Reference Price</b>"), <i>minus</i> the Current Financing Level on or around the Issuer Call Date, and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Constant Leverage Turbo Short Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or around the Issuer Call Date, <i>minus</i> the Reference Price of the Reference Asset on the Issuer Call Date (the "<b>Termination Reference Price</b>"), and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <hr/> <p><b>Stop Loss Cash Amount:</b></p> <p><i>[If the Securities are Turbo Long Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Stop Loss Termination Reference Price of the Reference Asset, <i>minus</i> the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, and (ii) Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Turbo Short Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, <i>minus</i> the Stop Loss Termination Reference Price of the Reference Asset, and (ii) Entitlement, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Constant Leverage Turbo Long Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Stop Loss Termination Reference Price of the Reference Asset, <i>minus</i> the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses, subject to a minimum of zero.]</p> <p><i>[If the Securities are Constant Leverage Turbo Short Certificates]:</i> The amount equal to (a) the <i>product</i> of (i) the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, <i>minus</i> the Stop Loss Termination Reference Price of the Reference Asset, and (ii) the Current Participation Factor, <i>minus</i> (b) Expenses,</p>
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		<p>subject to a minimum of zero.]</p> <p><i>[If the Securities are Booster Turbo Certificates: The Stop Loss Cash Amount shall be equal to zero.]</i></p> <p><i>[Include if the Financing Level Currency is different to the Settlement Currency: [The] [Include if more than one Series: In respect of each Series, if the Financing Level Currency is different to the Settlement Currency, the] Cash Amount shall be converted into the Settlement Currency at the Relevant Exchange Rate.]</i></p> <p><b>Key related information</b></p> <ul style="list-style-type: none"> <li>◦ <b>Current Financing Level:</b> on any day, the level of financing provided by the Issuer, taking into account the interest accrued on such amount. <i>[If the Securities are Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates: The Current Financing Level will also take into account the profit or loss from liquidating and entering into the Issuer's hedging positions from time to time.] [If the Securities are Constant Leverage Turbo Long Certificates, Constant Leverage Turbo Short Certificates, Index Booster Turbo Long Certificates, Index Booster Turbo Short Certificates, Index Turbo Long Certificates or Index Turbo Short Certificates, and if "Notional Dividend Amount" is applicable: [The] [Include if more than one Series: In respect of each Series of Securities where "Notional Dividend Amount" is specified to be applicable in the table attached, the] Current Financing Level will also take into account the sum of any cash dividends and/or other cash distributions declared in respect of [each component security included in the underlying index] [the underlying equity share] during the relevant period.] [If the Securities are Fund Turbo Long Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates: The Current Financing Level will also take into account the sum of any cash dividends and/or other cash distributions declared in respect of the underlying equity during the relevant period.]</i></li> <li>◦ <b>Current Financing Level on the Trade Date:</b> <i>[amount] [Include if more than one Series: in respect of each Series, the amount set out in the column entitled "Current Financing Level on the Trade Date" corresponding to such Series in the table attached].</i></li> <li>◦ <i>[If the Securities are Constant Leverage Turbo Certificates: <b>Current Participation Factor:</b> on any day, an amount determined by the Calculation Agent by reference to the Reference Price of the Reference Asset on the immediately preceding scheduled trading day, the fair market value of one Security on the immediately preceding scheduled trading day and the Target Leverage Factor.]</i></li> <li>◦ <i>[If the Securities are Constant Leverage Turbo Certificates: <b>Current Participation Factor on the Trade Date:</b> <i>[amount]</i> [Include if more than one Series: in respect of each Series, the amount set out in the column entitled "Current Participation Factor on the Trade Date" corresponding to such Series in the table attached].]</i></li> <li>◦ <i>[If the Securities are Turbo Certificates: <b>Current Stop Loss Premium:</b> on any day, an amount determined by the Calculation Agent in its discretion, acting in good faith and in a commercially</i></li> </ul>
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		<p>reasonable manner, having regard to the current market conditions (including, but not limited to, market volatility), but shall not be less than the Minimum Premium nor greater than the Maximum Premium of the Current Financing Level on such day.]</p> <ul style="list-style-type: none"> <li>◦ <i>[If the Securities are Turbo Certificates or Booster Certificates: <b>Entitlement:</b> [amount] [Include if more than one Series: in respect of each Series, the amount set out in the column entitled "Entitlement" corresponding to such Series in the table attached].]</i></li> <li>◦ <b>[Exchange:</b> [exchange] [Include if more than one Series: in respect of each Series, the exchange set out in the column entitled "Exchange" corresponding to such Series in the table attached].]</li> <li>◦ <i>[Include if the Financing Level Currency is different to the Settlement Currency: <b>Exchange Rate:</b> [Include if more than one Series: in respect of each Series where the Financing Level Currency is different to the Settlement Currency,] the rate of exchange between the Financing Level Currency and the Settlement Currency on any day.]</i></li> <li>◦ <b>Exercise Date:</b> the [number] [3<sup>rd</sup>] business day preceding the scheduled Valuation Date.</li> <li>◦ <b>Expenses:</b> all taxes, duties and/or expenses arising in connection with the exercise of each Security or any payment due following exercise or otherwise in respect of such Security.</li> <li>◦ <b>Financing Level Currency:</b> [currency] [Include if more than one Series: in respect of each Series, the currency set out in the column entitled "Financing Level Currency" corresponding to such Series in the table attached].</li> <li>◦ <b>Issuer Call Commencement Date:</b> [date] [the first business day following the issue date] [Include if more than one Series: in respect of each Series, the date set out in the column entitled "Issuer Call Commencement Date" corresponding to such Series in the table attached].</li> <li>◦ <b>Issuer Call Date:</b> the date specified as such in the notice delivered by the Issuer, subject to adjustment.</li> <li>◦ <b>Issue Price:</b> [amount] [Include if more than one Series: in respect of each Series, the amount set out in the column entitled "Issue Price" corresponding to such Series in the table attached].</li> <li>◦ <i>[If the Securities are Turbo Certificates: <b>Maximum Premium:</b> [percentage] [Include if more than one Series: in respect of each Series, the percentage set out in the column entitled "Maximum Premium" corresponding to such Series in the table attached].]</i></li> <li>◦ <i>[If the Securities are Turbo Certificates: <b>Minimum Premium:</b> [percentage] [Include if more than one Series: in respect of each Series, the percentage set out in the column entitled "Minimum Premium" corresponding to such Series in the table attached].]</i></li> <li>◦ <b>[Price Source:</b> [price source] [Include if more than one Series: in respect of each Series, the price source set out in the column entitled "Price Source" corresponding to such Series in the table attached].]</li> <li>◦ <b>Reference Price:</b> on any day, the [high] [low] [price] [bid price] [ask price] [closing price] [level] [official closing level] [official closing price] [official settlement price] [net asset value] [trading</li> </ul>
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		<p>price] [morning fixing] [fixing] [<i>specify other</i>] of the Reference Asset [on the Exchange] [as quoted on the [Screen Page] [Price Source]] [as quoted by the fund manager] [at the Valuation Time] on such day.</p> <ul style="list-style-type: none"> <li>◦ [<i>If the Securities are Turbo Certificates or Constant Leverage Turbo Certificates and if the Financing Level Currency is different to the Settlement Currency: <b>Relevant Exchange Rate:</b></i> in respect of (a) the Exercise Cash Amount, the Exchange Rate on or around the Valuation Date, (b) the Issuer Call Cash Amount, the Exchange Rate on or around the Issuer Call Date, and (c) the Stop Loss Cash Amount, the Exchange Rate on or around the Stop Loss Termination Date.]</li> <li>◦ [<i>If the Securities are Booster Turbo Certificates and if the Financing Level Currency is different to the Settlement Currency: <b>Relevant Exchange Rate:</b></i> in respect of (a) the Exercise Cash Amount, the Exchange Rate on or around the Valuation Date, and (b) the Issuer Call Cash Amount, the Exchange Rate on or around the Issuer Call Date.]</li> <li>◦ [<b>Screen Page:</b> [screen page] [<i>Include if more than one Series:</i> in respect of each Series, the screen page set out in the column entitled "Screen Page" corresponding to such Series in the table attached].]</li> <li>◦ [<i>If the Securities are Turbo Long Certificates or Booster Turbo Long Certificates: <b>Stop Loss Event:</b></i> the Stop Loss Event Price of the Reference Asset is, at any time on any scheduled trading day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the regular weekday opening time of [Euronext Amsterdam N.V. by NYSE Euronext] [<i>securities exchange</i>] or at a time at which there is, in the determination of the Calculation Agent, a market disruption event, less than or equal to the Stop Loss Price.]</li> <li>◦ [<i>If the Securities are Turbo Short Certificates or Booster Turbo Short Certificates: <b>Stop Loss Event:</b></i> the Stop Loss Event Price of the Reference Asset is, at any time on any scheduled trading day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the regular weekday opening time of [Euronext Amsterdam N.V. by NYSE Euronext] [<i>securities exchange</i>] or at a time at which there is, in the determination of the Calculation Agent, a market disruption event, greater than or equal to the Stop Loss Price.]</li> <li>◦ [<i>If the Securities are Constant Leverage Turbo Long Certificates: <b>Stop Loss Event:</b></i> the Stop Loss Event Price of the Reference Asset is, at any time on any scheduled trading day during the Stop Loss Observation Period, and other than at the regular weekday opening time of [Euronext Amsterdam N.V. by NYSE Euronext] [<i>securities exchange</i>] or at a time at which there is, in the determination of the Calculation Agent, a market disruption event, less than or equal to the Stop Loss Price.]</li> <li>◦ [<i>If the Securities are Constant Leverage Turbo Short Certificates: <b>Stop Loss Event:</b></i> the Stop Loss Event Price of the Reference Asset is, at any time on any scheduled trading day during the Stop Loss Observation Period, and other than at the regular weekday opening time of [Euronext Amsterdam N.V. by NYSE Euronext] [<i>securities exchange</i>] or at a time at which there is, in the determination of the Calculation Agent, a market disruption</li> </ul>
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		<p>event, greater than or equal to the Stop Loss Price.]</p> <ul style="list-style-type: none"> <li>◦ <b>Stop Loss Event Price:</b> on any day, the [ask low] [ask high] [ask price] [bid low] [bid high] [bid price] [high] [low] [price] [closing price] [level] [net asset value] [<i>specify other</i>] of the Reference Asset [published by the index sponsor] [on the Exchange] [quoted on the [Screen Page] [Price Source] [as quoted by the fund manager] [as of the relevant time] on such day.</li> <li>◦ [<i>If the Securities are Constant Leverage Turbo Certificates:</i> <b>Stop Loss Observation Period:</b> the period from, and including, 8:00 a.m., Central European Time on the Trade Date to, and including, the earlier of the Valuation Date or the Issuer Call Date.]</li> <li>◦ [<i>If the Securities are Constant Leverage Turbo Long Certificates or Constant Leverage Turbo Short Certificates:</i> <b>Stop Loss Premium Rate:</b> [[5] [<i>specify other</i>] per cent. (expressed as a decimal)] [<i>Include if more than one Series:</i> in respect of each Series, the percentage (expressed as a decimal) set out in the column entitled "Stop Loss Premium Rate" corresponding to such Series in the table attached].]</li> <li>◦ <b>Stop Loss Price:</b> [<i>If the Securities are Turbo Long Certificates:</i> on any day, the <i>sum</i> of (a) the Current Financing Level on such day, and (b) the Current Stop Loss Premium on such day.] [<i>If the Securities are Turbo Short Certificates:</i> on any day, (a) the Current Financing Level on such day, <i>minus</i> (b) the Current Stop Loss Premium on such day.] [<i>If the Securities are Constant Leverage Turbo Certificates:</i> on any day, the <i>product</i> of (a) one, <i>minus</i> the Stop Loss Premium Rate, and (b) the Reference Price of the Reference Asset on the immediately preceding scheduled trading day.] [<i>If the Securities are Booster Turbo Certificates:</i> on any day, the Current Financing Level on such day.]</li> <li>◦ [<i>If the Securities are Turbo Certificates (other than Fund Turbo Long Certificates) or Constant Leverage Turbo Certificates:</i> <b>Stop Loss Termination Reference Price:</b> the fair value price of the Reference Asset, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, upon the occurrence of a Stop Loss Event, by reference to the unwinding of the Issuer's hedging position in respect of the Reference Asset on a reasonable efforts basis.] [<i>If the Securities are Turbo Long Certificates or Constant Leverage Turbo Long Certificates:</i> The Stop Loss Termination Reference Price will be at least equal to the lowest level or price of the Reference Asset on any scheduled trading day during the Stop Loss Termination Valuation Period.] [<i>If the Securities are Turbo Short Certificates or Constant Leverage Turbo Short Certificates:</i> The Stop Loss Termination Reference Price will be at most equal to the highest level or price of the Reference Asset on any scheduled trading day during the Stop Loss Termination Valuation Period.]</li> <li>◦ [<i>If the Securities are Fund Turbo Long Certificates:</i> <b>Stop Loss Termination Reference Price:</b> the volume-weighted average price of the Reference Asset at which the Issuer's hedging position in the Reference Asset was unwound during the Stop Loss Termination Valuation Period.]</li> <li>◦ <b>Stop Loss Termination Valuation Period:</b> [<i>If the Securities are Turbo Certificates (other than Fund Turbo Long Certificates) or Constant Leverage Turbo Certificates:</i> (i) the first scheduled trading day on which a stop loss event occurs, and (ii) each of the</li> </ul>
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		<p>[2] [number] following scheduled trading days on which no market disruption event has occurred.] <i>[If the Securities are Fund Turbo Long Certificates:</i> a reasonable period immediately following the Stop Loss Event, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, which shall be determined by reference to the number of scheduled trading days required to redeem the Reference Asset according to the redemption procedure relating to the Reference Asset.]</p> <ul style="list-style-type: none"> <li>◦ <i>[If the Securities are Constant Leverage Turbo Long Certificates or Constant Leverage Turbo Short Certificates:</i> <b>Target Leverage Factor:</b> [amount] <i>[Include if more than one Series:</i> in respect of each Series, the amount set out in the column entitled "Target Leverage Factor" corresponding to such Series in the table attached].]</li> <li>◦ <b>Trade Date:</b> [date].</li> <li>◦ <b>Valuation Dates:</b> [dates] [the last scheduled trading day of March in each calendar year, commencing no earlier than one year after the Trade Date], subject to adjustment.</li> <li>◦ <b>[Valuation Time:</b> [[time] [the scheduled closing time on the Exchange] [the time at which the official closing level of the Reference Asset is calculated and published by the index sponsor] [the time with reference to which the index sponsor calculates the [closing level of the Reference Asset] [exchange delivery settlement price (being the average of the prices of the Reference Asset calculated at one minute intervals between 3:30 p.m. and 4:00 p.m., Amsterdam time)] [the time with reference to which the World Market Company plc calculates the fixing price of the Reference Asset] <i>[Include if more than one Series:</i> in respect of each Series, the time set out in the column entitled "Valuation Time" corresponding to such Series in the table attached].]</li> </ul>
C.19	<b>Exercise price/final reference price:</b>	<p>If the Securities are terminated pursuant to an Exercise by Holder, the Final Reference Price will be the Reference Price of the Reference Asset on the Valuation Date.</p> <p>If the Securities are terminated pursuant to an Issuer Call, the Termination Reference Price will be the Reference Price of the Reference Asset on the Issuer Call Date.</p> <p><i>[If the Securities are Turbo Certificates or Constant Leverage Turbo Certificates:</i> If the Securities are terminated following the occurrence of a Stop Loss Event, the Stop Loss Termination Reference Price will be [the fair value price of the Reference Asset, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, by reference to the unwinding of the Issuer's hedging position in respect of the Reference Asset on a reasonable efforts basis] [the volume-weighted average price of the Reference Asset at which the Issuer's hedging position in the Reference Asset was unwound during the Stop Loss Termination Valuation Period].]</p> <p><i>[If the Securities are Booster Turbo Certificates:</i> If the Securities are terminated following the occurrence of a Stop Loss Event, the Stop Loss Cash Amount shall be zero, and Holders shall not be entitled to any payment in respect of the Securities on the Settlement Date.]</p>
C.20	<b>Description of</b>	The Reference Asset is [a] [an] [commodity] [commodity futures

	<b>the type of underlying and where information on it can be found:</b>	contract] [commodity index] [currency exchange rate] [equity share] [exchange traded fund] [fund] [government bond futures contract] [index] [index futures contract].  Information on the Reference Asset can be found at [information source] [Include if more than one Series: in respect of each Series, the information source set out in the column entitled "Reference Asset Information Source" corresponding to such Series in the table attached].
<b>SECTION D – RISKS</b>		
<b>D.2</b>	<b>Key risks specific to the Issuer:</b>	<p>The Issuer could fail or otherwise be unable to make the payments owing under the Securities. If that happens, you will not have the protection of any deposit insurance scheme and your Securities will not be secured, and you may lose some or up to all of your money.</p> <p>As part of a leading global financial services group the Issuer is subject to a number of key risks of the RBS Group:</p> <ul style="list-style-type: none"> <li>◦ The RBS Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions</li> <li>◦ The RBS Group has significant exposure to the continuing economic crisis in Europe</li> <li>◦ The RBS Group operates in markets that are highly competitive and its business and results of operations may be adversely affected</li> <li>◦ The RBS Group is subject to political risks</li> <li>◦ The RBS Group and its UK bank subsidiaries may face the risk of full nationalisation</li> <li>◦ HM Treasury (or UK Financial Investments Limited (UKFI) on its behalf) may be able to exercise a significant degree of influence over the RBS Group and any proposed offer or sale of its interests may affect the price of securities issued by the RBS Group</li> <li>◦ The RBS Group is subject to other global risks</li> <li>◦ The RBS Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions</li> <li>◦ The financial performance of the RBS Group has been, and continues to be, materially affected by deteriorations in borrower and counterparty credit quality and further deteriorations could arise due to prevailing economic and market conditions and legal and regulatory developments</li> <li>◦ The value or effectiveness of any credit protection that the RBS Group has purchased depends on the value of the underlying assets and the financial condition of the insurers and counterparties</li> <li>◦ Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the RBS Group's business and results of operations</li> <li>◦ In the United Kingdom and in other jurisdictions, the RBS Group</li> </ul>

		<p>is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers</p> <ul style="list-style-type: none"> <li>◦ The RBS Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations</li> <li>◦ The RBS Group's ability to meet its obligations including its funding commitments depends on the RBS Group's ability to access sources of liquidity and funding</li> <li>◦ The RBS Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements</li> <li>◦ The RBS Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its and the United Kingdom Government's credit ratings</li> <li>◦ If the RBS Group is unable to issue the Contingent B Shares to HM Treasury, it may have a material adverse impact on the RBS Group's capital position, liquidity, operating results and future prospects</li> <li>◦ The regulatory capital treatment of certain deferred tax assets recognised by the RBS Group depends on there being no adverse changes to regulatory requirements</li> <li>◦ The RBS Group's ability to implement its strategic plan depends on the success of the RBS Group's refocus on its core strengths and its balance sheet reduction programme</li> <li>◦ The RBS Group is subject to a variety of risks as a result of implementing the State Aid restructuring plan</li> <li>◦ Each of the RBS Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments and changes in the approach of the RBS Group's key regulators could have an adverse effect on how the RBS Group conducts its business and on its results of operations and financial condition</li> <li>◦ The RBS Group is subject to resolution procedures under current and proposed resolution and recovery schemes which may result in various actions being taken in relation to any securities of the RBS Group, including the write off, write-down or conversion of the RBS Group's securities</li> <li>◦ The RBS Group is subject to a number of regulatory initiatives which may adversely affect its business. The Independent Commission on Banking's final report on competition and possible structural reforms in the UK banking industry has been adopted by the UK Government which intends to implement the recommendations substantially as proposed. In addition other proposals to ring fence certain business activities and the U.S. Federal Reserve's proposal for applying U.S. capital, liquidity and enhanced prudential standards to certain of the RBS Group's U.S. operations together with the UK reforms could require structural changes to the RBS Group's business. Any of these changes could have a material adverse effect on the RBS Group</li> <li>◦ The RBS Group is subject to a number of legal and regulatory actions and investigations. Unfavourable outcomes in such actions and investigations could have a material adverse effect on</li> </ul>
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		<p>the RBS Group's operating results or reputation</p> <ul style="list-style-type: none"> <li>◦ The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate</li> <li>◦ The RBS Group's results could be adversely affected in the event of goodwill impairment</li> <li>◦ The recoverability of certain deferred tax assets recognised by the RBS Group depends on the RBS Group's ability to generate sufficient future taxable profits</li> <li>◦ Operational risks are inherent in the RBS Group's businesses</li> <li>◦ The RBS Group's operations are highly dependent on its information technology systems</li> <li>◦ The RBS Group may suffer losses due to employee misconduct</li> <li>◦ The RBS Group's operations have inherent reputational risk</li> <li>◦ The RBS Group could fail to attract or retain senior management, which may include members of the Board, or other key employees, and it may suffer if it does not maintain good employee relations</li> </ul>
<b>D.6</b>	<b>Key risks specific to the Securities:</b>	<p>The following are the key risks that are specific to the Securities:</p> <p><i>[If the Securities are Long Certificates:</i></p> <ul style="list-style-type: none"> <li>◦ <b>INVESTING IN SECURITIES PUTS YOUR CAPITAL AT RISK. YOU MAY LOSE SOME OR UP TO ALL OF YOUR INVESTMENT:</b> If the value of the Reference Asset rises, the value of the Securities will rise, taking into account any applicable foreign exchange rate and subject to the degree of leverage. However, if the value of the Reference Asset falls, the value of the Securities will also fall. Depending on how far the value of the Reference Asset falls (and taking into account any applicable foreign exchange rate and subject to the degree of leverage), an investor could lose up to the entire value of its investment.]</li> </ul> <p><i>[If the Securities are Short Certificates:</i></p> <ul style="list-style-type: none"> <li>◦ <b>INVESTING IN SECURITIES PUTS YOUR CAPITAL AT RISK. YOU MAY LOSE SOME OR UP TO ALL OF YOUR INVESTMENT:</b> If the value of the Reference Asset falls, the value of the Securities will rise, taking into account any applicable foreign exchange rate and subject to the degree of leverage. However, if the value of the Reference Asset rises, the value of the Securities will fall. Depending on how far the value of the Reference Asset rises (and taking into account any applicable foreign exchange rate and subject to the degree of leverage), an investor could lose up to the entire value of the investment.]</li> </ul> <p><i>[If the Securities are Constant Leverage Turbo Certificates:</i></p> <ul style="list-style-type: none"> <li>◦ <b>Constant Leverage Turbo Certificates are short term investment products:</b> Constant Leverage Turbo Certificates are designed for investors with short term investment horizons and their performance can differ significantly from the performance of the Reference Asset over longer periods of time, particularly in</li> </ul>



		<p>volatile market conditions. Buy-and-hold investors with intermediate and long term investment horizons should carefully consider whether the Securities are appropriate for their investment needs.]</p> <ul style="list-style-type: none"> <li>◦ <b><i>The Securities will be automatically terminated on the occurrence of a Stop Loss Event:</i></b> If the value of the Reference Asset is [if the Securities are Long Certificates: less] [if the Securities are Short Certificates: greater] than or equal to the Stop Loss Price at any time during the term of the Securities, then the Securities will be automatically terminated.</li> </ul> <p>[If the Securities are Booster Turbo Certificates:</p> <ul style="list-style-type: none"> <li>◦ <b><i>Investors will lose the entire value of their investment if a Stop Loss Event occurs:</i></b> If the Securities are terminated following the occurrence of a Stop Loss Event, the Stop Loss Cash Amount shall be zero, and Holders shall not be entitled to any payment in respect of the Securities on the Settlement Date.]</li> <li>◦ <b><i>The Securities can be terminated any time by the Issuer at its option:</i></b> The Securities may be terminated by the Issuer in its discretion at any time. Accordingly, the Securities may be terminated by the Issuer in circumstances in which the investor would otherwise have realised a greater return on the Securities than if they had not been so terminated. Also, the investor may be unable to reinvest the proceeds in an investment that provides an equivalent return.</li> <li>◦ <b><i>The value of the Securities is subject to market risk and other factors, and may be less than the purchase price:</i></b> Several factors will influence the value of the Securities, many of which are beyond the Issuer's control. These include (amongst other things) changes in the value of the Reference Asset, the volatility of the Reference Asset, fluctuations in the rates of exchange of currencies relating to the Securities and/or the Reference Asset, interest rates and the creditworthiness of the Issuer.</li> <li>◦ <b><i>Due to the leverage feature, an investment in the Securities is more speculative than a direct investment in the Reference Asset, and you could lose up to the entire value of your investment:</i></b> The Securities enable investors to participate in any gains or falls in the value of the Reference Asset by investing only part of the value of the Reference Asset with the remaining portion financed by the Issuer. This creates leverage. The lower the purchase price of the Securities is compared to the value of the Reference Asset, the higher the leverage will be. Due to this leverage feature, the percentage gain if the value of the Reference Asset rises (in the case of long certificates) or falls (in the case of short certificates) and the percentage loss if the Reference Asset falls (in the case of long certificates) or rises (in the case of short certificates) is much higher in the Securities compared to a direct investment in the Reference Asset. The higher the leverage, the more sensitive the Securities will be to any changes in the value of the Reference Asset.</li> <li>◦ <b><i>There are specific risks in relation to the type of Reference Asset:</i></b> The Securities are [Commodity Futures Contract Turbo Long Certificates] [Commodity Futures Contract Turbo Short Certificates] [Commodity Turbo Long Certificates] [Commodity Turbo Short Certificates] [Currency Turbo Long Certificates] [Currency Turbo Short Certificates] [Fund Turbo Long</li> </ul>
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		<p>Certificates] [Government Bond Futures Contract Turbo Long Certificates] [Government Bond Futures Contract Turbo Short Certificates] [Index Futures Contract Turbo Long Certificates] [Index Futures Contract Turbo Short Certificates] [Index Turbo Long Certificates] [Index Turbo Short Certificates] [Single Stock Turbo Long Certificates] [Single Stock Turbo Short Certificates] [Constant Leverage Index Turbo Long Certificates] [Constant Leverage Index Turbo Short Certificates] [Constant Leverage Single Stock Turbo Long Certificates] [Constant Leverage Single Stock Turbo Short Certificates] [Commodity Booster Turbo Long Certificates] [Commodity Booster Turbo Short Certificates] [Currency Booster Turbo Long Certificates] [Currency Booster Turbo Short Certificates] [Index Booster Turbo Long Certificates] [Index Booster Turbo Short Certificates]. Investors should ensure that they understand the nature of the Reference Asset, the particular Asset Terms that apply to that type of Reference Asset and how changes in its value will affect the value of the Securities. The past performance of a Reference Asset is not indicative of its future performance.</p> <ul style="list-style-type: none"> <li>◦ <b><i>Holders of Securities will have no rights in relation to the Reference Asset:</i></b> The obligations of the Issuer are not secured, and the Issuer is under no obligation to hold the Reference Asset. Holders of Securities will not have any legal or beneficial rights or interests in the underlying Reference Asset.</li> <li>◦ <b><i>The exercise by the Calculation Agent of its discretionary authority under the Securities may have a material adverse effect on the value of the Securities:</i></b> The Calculation Agent has discretion to potentially make material determinations under the Securities. In exercising such discretion, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Any such determination may have a material adverse effect on the value of the Securities.</li> <li>◦ <b><i>The Securities may be an unsuitable investment depending on the investor's circumstances:</i></b> The Securities may not be a suitable investment for all investors and each potential investor must determine the suitability in light of its own circumstances.</li> <li>◦ <b><i>There may be no secondary market for the Securities:</i></b> There may not be a secondary market in the Securities. Therefore, investors may not be able to sell the Securities or may only be able to do so at a substantially reduced price.</li> <li>◦ <b><i>The issue size is not an indication of liquidity:</i></b> As part of its issuing, market making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third-party investors. The issue size is therefore not indicative of the depth or liquidity of the market or of the demand for the Securities.</li> <li>◦ <b><i>The Securities may be subject to limitations on exercise:</i></b> The Issuer may limit the number of Securities exercisable on any date (other than the final exercise date) or by any person on any date. An investor may have to tender a specified minimum number of the Securities in order to exercise the Securities.</li> <li>◦ <b><i>There may be a time lag on exercise:</i></b> There may be a delay between the time of exercise of the Securities and the determination of the amount payable following such exercise.</li> </ul>
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		<p>Such delay may decrease (or increase) the return from the Securities.</p> <ul style="list-style-type: none"> <li>◦ <b><i>Unexpired Securities may expire worthless:</i></b> Securities which are not exercised in accordance with the terms and conditions will (where exercise is required) expire worthless.</li> <li>◦ <b><i>Events in relation to the Issuer's hedge positions could result in early termination or adjustments to the Securities:</i></b> The Issuer's hedge position (if any) could be impacted by foreign exchange control, the insolvency of a hedging counterparty, the unenforceability of an associated hedging transaction or any other event which impairs the Issuer's hedge position. In such event, the Issuer may elect to terminate the Securities or adjust the terms and conditions to account for such impact on its hedge positions. Any such determination could have a material adverse effect on the value of the Securities.</li> <li>◦ <b><i>The Securities may terminate early or be adjusted for unforeseen events:</i></b> The Issuer or Calculation Agent (as applicable) may elect to terminate the Securities early for reasons of illegality or tax [<i>insert, unless "Early termination for illiquidity" is not applicable:</i> or illiquidity] or to adjust the terms and conditions or terminate the Securities under the particular Asset Terms upon the occurrence of certain events in relation to the Reference Asset. In such case, Holders may realise a reduced return than had the Securities not been so terminated or adjusted, and may be unable to reinvest the proceeds in an investment providing an equivalent return.</li> <li>◦ <b><i>Discretionary determinations by the Issuer and Calculation Agent may take into account the hedging arrangements and could result in adjustment or early termination:</i></b> In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the Calculation Agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of the Securities and could result in their early termination.</li> <li>◦ <b><i>The Issuer, Calculation Agent and Dealer are subject to conflicts of interest:</i></b> <ul style="list-style-type: none"> <li>◦ In making calculations and determinations with regard to the Securities, there may be a difference of interest between the investors and the Issuer and Calculation Agent. The Issuer and its affiliated entities may have interests in other capacities (such as other business relationships and activities). Any determination made by the Issuer or Calculation Agent may have a negative impact on the value of the Securities.</li> <li>◦ The Issuer and/or any of its affiliates may enter into transactions or carry out other activities in relation to the Reference Asset which may affect the market price, liquidity or value of the Reference Asset or the Securities in a way which could be materially adverse to the interests of the Holders.</li> </ul> </li> </ul>
<b>SECTION E – THE OFFER</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of</b>	Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements).

	<b>proceeds:</b>	
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	[Not applicable; the Securities are not being publicly offered.] [Not applicable; the offer of the Securities is not subject to any conditions.] [The Securities are offered subject to the following conditions: [ <i>detail minimum and/or maximum subscription, purchase amounts or numbers/possible reductions in the amount or number of Securities requested/ time limits</i> ].]
<b>E.4</b>	<b>Interests material to the issue/offer including conflicting interests:</b>	Fees shall be payable to the Dealer. The Issuer and its subsidiaries are subject to conflicts of interest between their own interests and those of holders of Securities, as described in Element D.6 above.
<b>E.7</b>	<b>Estimated expenses charged to the investor by the Issuer:</b>	[Not applicable; there are no estimated expenses charged to the investor by the Issuer.] [The expenses charged to the investor will be [ <i>amount</i> ].]

*[include if more than one Series]*

ISIN	Issue Price	Settlement Currency	[Entitlement] <sup>1</sup>	Current Financing Level on the Trade Date	[Current Participation Factor on the Trade Date] <sup>2</sup>	Financing Level Currency	Issuer Call Commencement Date	[Maximum Premium] <sup>3</sup>	[Minimum Premium] <sup>4</sup>	[Notional Dividend Amount] <sup>5</sup>	[Stop Loss Premium Rate] <sup>6</sup>	[Target Leverage Factor] <sup>7</sup>	[Valuation Time]	[Exchange] <sup>8</sup> [Price Source] <sup>9</sup> [Screen Page] <sup>10</sup>	Reference Asset Information Source

*[repeat for each Series as necessary]*

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<sup>1</sup> If the Securities are Turbo Certificates or Booster Turbo Certificates

<sup>2</sup> If the Securities are Constant Leverage Turbo Certificates

<sup>3</sup> If the Securities are Turbo Certificates

<sup>4</sup> If the Securities are Turbo Certificates

<sup>5</sup> If the Securities are linked to an index or are Constant Leverage Turbo Certificates linked to an equity

<sup>6</sup> If the Securities are Constant Leverage Turbo Certificates

<sup>7</sup> If the Securities are Constant Leverage Turbo Certificates

<sup>8</sup> If the Securities are linked to an equity, an ETF, a government bond futures contract, a single-exchange index or an index futures contract

<sup>9</sup> If the Securities are linked to a commodity or a commodity futures contract

<sup>10</sup> If the Securities are linked to a currency exchange rate

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**RISK FACTORS**


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*The Issuer believes that the factors described below may affect its ability to fulfil its obligations under the Securities. Most of these factors are contingencies which may or may not occur and which could have a material adverse effect on the Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return investors will receive on the Securities. The Issuer does not express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market and other risk factors associated with the Securities are described below.*

*The Issuer believes that the factors described below are material for the purpose of assessing the market risks associated with the Securities and represent the material risks inherent in investing in Securities, but these are not the only risks that the Issuer faces or that may arise under the Securities. There will be other risks that the Issuer does not currently consider to be material, or risks that the Issuer is currently not aware of, or risks that arise due to circumstances specific to the investor, and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to any Securities, prospective investors may wish to consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.*

<b>Risk Factors</b>	<b>Page</b>
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**Factors that may affect the Issuer's ability to fulfil its obligations under the Securities**

Securities are general unsecured obligations of the Issuer. Holders are exposed to the credit risk of the Issuer. The Securities will be adversely affected in the event of a default, reduced credit rating or deterioration in the solvency of the Issuer.

Each potential investor in the Securities should refer to the "Risk Factors" section of the Registration Document incorporated by reference into this Base Prospectus, and any supplement to this Base Prospectus which update or amend the Risk Factors, for a description of those factors which may affect the Issuer's ability to fulfil its obligations under the Securities.

**Factors which are material for the purpose of assessing the market or other risks associated with the Securities**

**1. Factors relating to particular features of the Securities**

**(a) *Investors may lose up to the entire value of their investment***

As indicated in their title, the Securities will either be "long" or "short" turbo certificates.

Turbo "long" Certificates: if the value of the Reference Asset rises, the value of a turbo "long" certificate will rise, taking into account any applicable foreign exchange rate and subject to the degree of leverage. However, if the value of the Reference Asset falls, the value of a turbo "long" certificate will also fall. Depending on how far the value of the Reference Asset falls (and taking into account any applicable foreign exchange rate and subject to the degree of leverage), an investor could lose up to the entire value of the investment. Investors in Securities which are turbo "long" certificates must expect to suffer a loss if the value of the Reference Asset falls.

Turbo "short" Certificates: if the value of the Reference Asset falls, the value of a turbo "short" certificate will rise, taking into account any applicable foreign exchange rate and subject to the degree of leverage. However, if the value of the Reference Asset rises, the value of a turbo "short" certificate will fall. Depending on how far the value of the Reference Asset rises (and taking into account any applicable foreign exchange rate and subject to the degree of leverage), an investor could lose up to the entire value of the investment. Investors in Securities which are turbo "short" certificates must expect to suffer a loss if the value of the Reference Asset rises.

**Investors may lose up to the entire value of their investment, depending on the performance of the Reference Asset.**

**(b) *Due to the leverage feature, an investment in the Securities is more speculative than a direct investment in the Reference Asset, and you could lose up to the entire value of your investment***

The Securities enable investors to participate in any gains or falls in the value of the Reference Asset by investing only part of the value of the Reference Asset with the remaining portion financed by the Issuer. This creates leverage. The size of the leverage depends on the purchase price of the Securities compared to the value of the Reference Asset at the time of purchase. The lower the purchase price of the Securities is compared to the value of the Reference Asset, the higher the leverage will be.

Due to this leverage feature, the percentage gain if the value of the Reference Asset rises (in the case of long certificates) or falls (in the case of short certificates) and the percentage loss if the Reference Asset falls (in the case of long certificates) or rises (in the case of short certificates) is much higher in the Securities compared to a direct investment in the Reference Asset. This is the leverage effect. Investors should be aware that a small movement in the value of the Reference Asset can have a significant effect on the value of the Securities. The higher the leverage, the more sensitive the Securities will be to any changes in the value of the Reference Asset.

**(c) *The issue price of the Securities may be more than the market value of the Securities on the issue date and the price of the Securities in secondary market transactions***

The price at which a Holder will be able to sell Securities (if any) may be at a potentially substantial discount to the market value of the Securities at the issue date, if, at such time and

in addition to any other factors, the value of the Reference Asset is below, equal to or not sufficiently above the value of the Reference Asset at the issue date. The value of the Securities will fluctuate commencing from the issue date.

**(d) *The Securities will be automatically terminated on the occurrence of a Stop Loss Event***

If the value of the Reference Asset is less than or equal to the Stop Loss Price (in the case of turbo long certificates) or greater than or equal to the Stop Loss Price (in the case of turbo short certificates) at any time during the term of the Securities, then the Securities will be automatically terminated and Holders will not benefit from any movement in the Reference Asset after the Stop Loss Event has occurred. The Stop Loss Event feature aims to limit the maximum loss on the Securities.

**(e) *The Securities can be terminated at any time by the Issuer at its option***

Pursuant to an Issuer Call, the Securities may be terminated by the Issuer in its discretion at any time. Accordingly, the Securities may be terminated by the Issuer in circumstances in which the investor would otherwise have realised a greater return on the Securities if they had not been so terminated. Also, the investor may be unable to reinvest the Issuer Call Cash Amount in an investment that provides an equivalent return.

**(f) *Constant leverage turbo certificates are short term investment products, and their performance can differ significantly from the performance of the Reference Asset over longer periods of time, particularly in volatile market conditions***

Constant Leverage Turbo Certificates use leverage to attempt to multiply the performance of the reference asset they track. Constant Leverage Turbo Long Certificates attempt to allow investors to profit from short term rises in the value of the Reference Asset, while Constant Leverage Turbo Short Certificates attempt to allow investors to profit from short term decreases in the value of the Reference Asset. Constant Leverage Index Turbo Certificates are designed to achieve its stated objective on a daily basis; as a result, the leverage level is reset to its target level on a daily basis. Due to this daily reset feature, the performance of a Constant Leverage Turbo Certificate can differ significantly from the performance of the Reference Asset over longer periods of time. In volatile market conditions, these effects can be magnified. An investor holding a Constant Leverage Turbo Long Certificate for longer than one trading day could incur significant losses over intermediate and long terms even if the value of the Reference Asset increases during that period. An investor holding a Constant Leverage Turbo Short Certificate for longer than one trading day could incur significant losses over intermediate and long terms even if the value of the Reference Asset decreases during that period. For these reasons, Constant Leverage Turbo Certificates are designed for investors with short term investment horizons. Buy-and-hold investors with intermediate and long term investment horizons should carefully consider whether Constant Leverage Turbo Certificates are appropriate for their investment needs as they are not designed for intermediate and long term investment.

**(g) *Investors in booster turbo certificates will lose the entire value of their investment if a Stop Loss Event occurs***

If Commodity Booster Turbo Long Certificates, Commodity Booster Turbo Short Certificates, Currency Booster Turbo Long Certificates, Currency Booster Turbo Short Certificates, Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates are terminated following the occurrence of a Stop Loss Event, the Stop Loss Cash Amount shall be zero, and Holders shall not be entitled to any payment in respect of the Securities on the Settlement Date.



- (h) *The Calculation Agent has discretion under the terms and conditions of the Securities to make a number of determinations which could have a material adverse effect on the value of the Securities***

Under the terms and conditions of the Securities, the Calculation Agent has discretion to make determinations in relation to a number of potential features of the Securities, including in relation to certain inputs used to calculate the cash amount payable on the Securities, such as the current financing level, the funding cost, the current spread and the exchange rate (if any). In exercising such discretion, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Potential investors should be aware that any determination made by the Calculation Agent may have a material adverse effect on the value of the Securities.

**2. Factors relating to all securities offered under the LaunchPAD Programme (including the Securities)**

- (a) *The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience (either alone or with the help of a financial adviser) to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any relevant Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or other amounts payable in one or more currencies, or where the currency for principal or other payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) NOT consider that the issue of Securities linked to a particular Reference Asset is a recommendation by the Issuer or any Dealer to invest (whether directly or indirectly) in that Reference Asset or any of its constituent elements or any particular Series of Securities. The Issuer and/or its affiliates may make investment decisions for themselves which differ from those that a potential investor would make by investing in the Securities. In particular, investment decisions of the Issuer and/or its affiliates are based on their current economic circumstances, overall credit exposure, overall market risk exposure, internal risk tolerance and economic conditions, which are subject to change. The Issuer is not required to hold the Reference Asset (or its constituent elements) as a hedge and it may choose not to do so.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will

perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

**(b) *The value of the Securities may fluctuate***

The value of the Securities may move up and down between their date of purchase and their exercise date or termination date (as the case may be). Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:

- (i) *Valuation of the Reference Asset.* The market price of the Securities at any time is expected to be affected primarily by changes in the value of the Reference Asset to which such Securities are linked. It is impossible to predict how the value of the relevant Reference Asset will vary over time. Factors which may have an affect on the value of the Reference Asset include the rate of return of the Reference Asset and the financial position and prospects of the issuer of the Reference Asset or any component thereof. In addition, the value of the Reference Asset may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. The value of the Reference Asset will also depend on the supply and demand of such Reference Asset and whether there are any similar alternatives to the Reference Asset. Potential investors should also note that whilst the market value of the Securities is linked to the relevant Reference Asset and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the Reference Asset is increasing in value, the value of the Securities may fall.
- (ii) *Interest Rates.* Investments in the Securities may involve interest rate risk. An increase in market interest rates may increase the cost of financing and the value of the Securities could fall (in the case of long certificates) or rise (in the case of short certificates). If market interest rates decline, this may reduce the cost of financing and the value of the Securities could rise (in the case of long certificates) or fall (in the case of short certificates). In addition, following any early termination of the Securities, investors in the Securities may not be able to reinvest the proceeds at any effective interest rate as high as the yield on the Securities being terminated. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Securities at any time prior to valuation of the Reference Asset relating to the Securities.
- (iii) *Volatility of the Reference Asset.* The term "volatility" refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to a Reference Asset. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets relating to the Reference Asset. Volatility of a Reference Asset will move up and down over time (sometimes more sharply than other assets) and different Reference Assets will most likely have separate volatilities at any particular time.
- (iv) *Exchange Rates.* Even where payments in respect of the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Securities is to be made and any currency in which the Reference Asset is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Securities will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter. Where Securities are described as being "quanto", the value of the Reference Asset will be converted from one currency (the "**Original Currency**") into a new currency (the "**New Currency**") on the date and in the manner specified in, or implied by, the terms and

conditions of the Securities using a fixed exchange rate. The cost to the Issuer of maintaining a fixed exchange rate between the Original Currency and the New Currency will have an implication on the value of the Securities. The implication will vary during the term of the Securities. No assurance can be given as to whether or not, taking into account relative exchange rate and interest rate fluctuations between the Original Currency and the New Currency, a quanto feature in a Security would at any time enhance the return on the Security over a level of a similar security issued without such a quanto feature. Further, the Issuer may charge a fee to provide the quanto feature and such fee will lower the value of the Securities.

- (v) *Disruption of the Reference Asset.* If so indicated in the terms and conditions of the Securities, the Calculation Agent may determine, by observing external factors, that a Market Disruption Event, or other extraordinary event has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or delay settlement in respect of the Securities. Prospective purchasers should review the terms and conditions of the Securities to ascertain whether and how such provisions apply to the Securities.
- (vi) *Creditworthiness.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer to repay the value of those Securities and has no recourse, in that respect, against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and of no other person. The Securities rank pari passu (that is, without preference) among themselves. Investors in Securities may therefore lose the entire value of their investment or part of it should the Issuer be unable to pay its debts as they become due.

**(c) *There may not be a secondary market in the Securities***

The nature and extent of any secondary market in the Securities cannot be predicted. As a consequence any person intending to hold the Securities should consider liquidity in the Securities as a risk. If the Securities are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Securities were not so listed or quoted. If the Issuer or one of its affiliates is the sole market maker for a Series of Securities on an exchange, then the liquidity and pricing of such Securities may be different than what the liquidity and pricing would be if there were multiple parties providing such market making services.

If Securities are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any such Securities may be resold at any time into the market.

If the Securities are not listed or quoted on an exchange, and therefore not subject to the exchange trading rules, then the Issuer may, in its sole and absolute discretion, decide to offer a secondary market in the Securities. In the event that the Issuer elects to offer such secondary market, the Issuer shall be entitled to impose such conditions as it, in its sole and absolute discretion, shall deem fit, including but not limited to:

- (i) providing a large bid/offer spread determined by the Issuer in its sole and absolute discretion by reference to the Issuer's own appreciation of the risks involved in providing such secondary market;
- (ii) providing the timing that any secondary market quotation will remain actionable, or in any event, not longer than what the Issuer considers a reasonable time;
- (iii) normal market conditions prevailing at such date; and
- (iv) limiting the number of Securities in respect of which it is prepared to offer such secondary market.

Holders should note that the imposition of any of the above conditions may severely limit the availability of any such secondary market and may result in Holders receiving significantly less than they otherwise would have received if the Securities were terminated at maturity.

The Issuer may determine a secondary market price in a different manner than other market participants, and prices can vary. Sometimes this variance may be substantial. If the Securities are not traded on any exchange, pricing information may be more difficult to obtain and the liquidity and price of the Securities may be adversely affected. The secondary market price of Securities will depend on a variety of factors including, but not limited to, the creditworthiness of the Issuer, the time to maturity or expiry of the Securities, the then current funding levels of the Issuer taking into consideration market conditions and the cost to replace a funding amount represented by the Securities being repurchased for a tenor equivalent to the time to maturity or expiry, and the value of the Reference Asset.

For example, without taking into consideration the value of the Reference Asset, if a Series of Securities was due to mature in three year's time and a Holder wanted the Issuer to repurchase its holdings in those Securities, the Issuer may, among other matters, calculate what it would cost to replace the funding amount represented by the Holder's repurchase request for the remaining term of the Securities (in this example three years). The then current market conditions affecting the Issuer's ability to borrow funds for a three year term would influence the level of the secondary market price. The higher the current funding levels for the Issuer as compared to funding levels for a similar term on the issue date, the more likely the secondary market price of the Securities would be negatively affected (without taking into consideration the current value of the Reference Asset). The lower the current funding levels for the Issuer as compared to funding levels for a similar term on the issue date, the more likely the secondary market price of the Securities would be positively affected (without taking into consideration the current value of the Reference Asset).

Any bid/offer spread will be subject to the Issuer's discretion. Any market making activity commenced may be discontinued at any time subject to any exchange requirements.

**(d) *Holders have no ownership interest in the Reference Asset***

The Securities convey no interest in the Reference Asset. The Issuer may choose not to hold the Reference Asset or any derivatives contracts linked to the Reference Asset. There is no restriction through the issue of the Securities on the ability of the Issuer and/or its affiliates to buy, sell, pledge or otherwise convey all right, title and interest in any Reference Asset or any derivatives contracts linked to the Reference Asset. Holders will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Asset referenced by such Securities.

**(e) *Past performance of a Reference Asset is not indicative of future performance***

Any information about the past performance of the Reference Asset at the time of the issuance of the Security should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Asset that may occur in the future. Past performance should not be considered indicative of future performance as markets are unpredictable and subject to change.

**(f) *A Payment Disruption Event may lead to a delay in payment and, if it continues, to payment in an alternate currency***

If payment disruption is specified to be applicable in the relevant Final Terms, and in the event that the Issuer determines that the Settlement Currency is not (or is not expected to be) available to the Issuer for the making of any payment due or shortly to be due under the Securities, then a "**Payment Disruption Event**" shall have occurred and such payment will be postponed until the event is no longer continuing. No interest shall be payable in the event of such postponement. If the Payment Disruption Event is still continuing 180 calendar days after the date on which notice of such Payment Disruption Event was first given, then the Issuer

may make the outstanding payment in an alternate currency (at a rate of exchange determined by the Issuer, and after deduction of expenses for resolving the Payment Disruption Event).

**(g) *Occurrence of Additional Disruption Events***

Additional Disruption Events in respect of a Reference Asset are essentially events which impair or render more costly the Issuer's hedge positions in relation to its obligation under the Securities, including due to a change in law, imposition of currency controls or other events outside of the control of the Issuer and its agents which impact the Issuer's ability to hedge its obligations. If the relevant Additional Disruption Event is applicable (being specified as such in the relevant Final Terms) and such event occurs, the Calculation Agent has discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Securities, and/or (ii) cause an early termination of the Securities (see risk factor 2(i) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*) and risk factor 2(j) (*The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity*) below), any of which determinations may have an adverse effect on the value of the Securities.

**(h) *Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities***

If the Calculation Agent determines that an adjustment event in relation to a Reference Asset has occurred, the Calculation Agent may adjust the terms and conditions of the Securities (without the consent of the Holders) or may cause the early termination of the Securities, in each case, in accordance with such terms and conditions (see risk factor 2(i) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*) and risk factor 2(j) (*The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity*) below). Examples of adjustment events include, but are not limited to, (i) corporate actions in relation to a Reference Asset, (ii) a merger of an issuer of a Reference Asset into another entity, and (iii) the delisting of a Reference Asset.

**(i) *The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event***

If the Issuer determines that an adjustment event in respect of a Reference Asset or an Additional Disruption Event has occurred, the Issuer may at its discretion terminate the Securities at any time. If the Issuer terminates early the Securities, the Issuer will pay the Holder of each such Security the **Unscheduled Early Termination Amount**. The "Unscheduled Early Termination Amount" will be the fair market value of the Securities immediately prior to early redemption (ignoring the relevant event (in the case of early termination for illegality) or the financial position of the Issuer immediately prior to the Event of Default (in the case of early termination following an Event of Default)), (unless "Deduction for Hedge Costs" is specified to be not applicable in the relevant Final Terms) less the cost to the Issuer (and its affiliates) of unwinding any related hedging arrangements in relation to such Securities. **The Unscheduled Early Termination Amount may be less than the Holder's initial investment and as low as zero.**

Following any such early termination of the Securities, investors may not be able to reinvest the proceeds at any effective interest rate as high as the yield on the Securities being terminated. Purchasers of the Securities should consider reinvestment risk in light of other investments available at that time.

See also risk factor 2(g) (*Occurrence of Additional Disruption Events*) and risk factor 2(h) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*) above.

**(j) *The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity***

If the Issuer determines that:

- (i) the performance of its obligations under the Securities has become illegal (see General Term 8(a) (*Illegality*);
- (ii) (A) payments made on the Securities will become subject to U.S. withholding tax or (B) following a change in law, the performance of its obligations under the Securities has resulted in, or will result in, the Issuer or any affiliate not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to the Securities (in each case, where such amounts are material to the Issuer) (see General Term 8(b) (*Tax*); or
- (iii) unless the relevant Final Terms specifies that "Early termination for illiquidity" is not applicable, (A) the aggregate nominal amount outstanding with respect to such Series of Securities is less than the "threshold nominal amount", (B) the percentage of the aggregate nominal amount outstanding with respect to such Series of Securities is less than the "threshold percentage of nominal amount" or (C) the number of Securities of such Series outstanding is less than the "threshold number of Securities"; each such threshold being as specified in the relevant Final Terms (see General Term 8(c) (*Illiquidity*),

the Issuer may in its discretion terminate the Securities prior to scheduled maturity. In such case, the Issuer will pay to the Holder of each such Security the **Unscheduled Early Termination Amount** (provided that, in the circumstance of (i) or (ii) above, only to the extent permitted by applicable law).

The "**Unscheduled Early Termination Amount**" will be the fair market value of the Securities immediately prior to early redemption (ignoring the relevant event (in the case of early termination for illegality) or the financial position of the Issuer immediately prior to the Event of Default (in the case of early termination following an Event of Default)), (unless "Deduction for Hedge Costs" is specified to be not applicable in the relevant Final Terms) less the cost to the Issuer (and its affiliates) of unwinding any related hedging arrangements in relation to such Securities. **The Unscheduled Early Termination Amount may be less than the Holder's initial investment and as low as zero.**

Following any such early termination of the Securities, investors may not be able to reinvest the proceeds at any effective interest rate as high as the yield on the Securities being terminated. Purchasers of the Securities should consider reinvestment risk in light of other investments available at that time.

See also risk factor 2(dd) (*Force Majeure*) and risk factor 2(i) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*).

**(k) *In making discretionary determinations under the Terms and Conditions of the Securities, the Issuer and the Calculation Agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of the Securities and could result in their early termination***

In order to ensure that its ongoing exposure to the potential payment obligations under the Securities is appropriately managed, the Issuer (directly or through an affiliate) may (but is not obliged to) enter into hedging arrangements to cover off some or all of its exposure. The ability to enter into hedging arrangements is typically a fundamental risk management prerequisite in enabling the Issuer to create the Securities and impacts the price at which the Issuer is able to offer the Securities.

Accordingly, in the exercise of its various discretionary determinations under the Terms and Conditions of the Securities (see risk factor 2(g) (*Occurrence of Additional Disruption Events*), risk factor 2(h) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*), risk factor 2(i) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*) and risk factor 2(j) (*The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity*) above), the Issuer and the Calculation Agent may take into account the impact on the Issuer's hedging arrangements for the Securities – whether to determine if an event has occurred (e.g. an "Additional Disruption Event" or "Extraordinary Event" or analogous event under the applicable Asset Terms) or what the consequences of such event should be (e.g. adjustment to the Terms and Conditions of the Securities or early termination of the Securities).

In making any discretionary determinations under the Terms and Conditions, the Issuer and the Calculation Agent shall act at all times in good faith and (except where the Terms and Conditions specify that the Issuer or the Calculation Agent shall act in its sole and absolute discretion) in a commercially reasonable manner. Further, the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether the fair treatment of investors is achieved by such determination in accordance with its regulatory obligations. Nevertheless, for the reasons discussed above, the Issuer and the Calculation Agent may take into account the impact of the particular event on the relevant hedging arrangements, and any such discretionary determination could result in the Securities losing some or all of their value and/or early termination of the Securities (as described in risk factor 2(g) (*Occurrence of Additional Disruption Events*), risk factor 2(h) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*), risk factor 2(i) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*) and risk factor 2(j) (*The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity*) above).

**(l) *Actions taken by the Calculation Agent may have a negative impact on the value of the Securities***

The Calculation Agent is the agent of the Issuer and not the agent of the Holders or any of them. The Issuer may itself act as the Calculation Agent. The Calculation Agent will make such adjustments to the terms and conditions of the Securities as it considers appropriate as a consequence of Additional Disruption Events (see risk factor 2(g) (*Occurrence of Additional Disruption Events*)) or certain adjustment events (see risk factor 2(h) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*)). In making these adjustments, the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion (see risk factor 4 (*Factors relating to potential conflicts of interest of the Issuer*)) below. The Calculation Agent is not required to make adjustments with respect to each and every Additional Disruption Event or adjustment event.

**(m) *There may be limitations on a Holder's right to exercise the Securities***

If so indicated in the terms and conditions of the Securities, a Holder may have to tender a specified minimum number of the Securities at any one time in order to exercise the Securities. Thus Holders with fewer than the specified minimum number of such Securities will either have to sell their Securities to another party or purchase additional Securities, incurring transaction costs in each case, in order to realise a return on their investment, and may incur the risk that the trading price of the Securities at that time is different from, in the case of Securities settled in cash ("**Cash Settled Securities**"), the applicable Cash Amount, upon exercise.

**(n) *There may be delays in effecting settlement***

If the Securities are subject to provisions relating to exercise, then upon their exercise, there will be a time lag between the time a Holder of the Securities gives instructions to exercise and the time the applicable Cash Amount (if the Securities are Cash Settled Securities) relating to such exercise is determined. Any such scheduled delay between the time of exercise and the determination of the Cash Amount will be specified in the terms and conditions of the Securities. However, such delay could be significantly longer, particularly in the case of a delay in exercise of such Securities arising from, as described above, any daily maximum exercise limitation or, as described above, any delay consequent upon the determination by the Calculation Agent that a Market Disruption Event occurred at any relevant time or a delay caused by a disruption to the settlement system itself. The applicable Cash Amount could decrease or increase from what it would have been but for such delay.

Prospective purchasers should review the terms and conditions of the Securities to ascertain whether and how such provisions apply to the Securities.

If the Securities are subject to provisions concerning delivery of a Notice and such Notice is received by either the relevant Clearing Agent, with a copy to the Principal Agent after the specified time in the terms and conditions of the Securities, it will be deemed to be duly delivered on the next following Business Day. Such deemed delay may increase or decrease the Cash Amount from what it would have been but for such deemed delivery. In the case of Securities which are exercisable on one day only or only during an exercise period, any Notice, if not delivered by the specified time, shall be void.

The failure to deliver any certifications required by the terms and conditions of the Securities could result in the loss or inability to receive amounts otherwise due under the Securities.

**Securities not exercised in accordance with the terms and conditions of the Securities will (where exercise is required) expire worthless.**

**(o) *Over-Issuance***

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Securities for the purpose of meeting any investor interest in the future or to satisfy market making requirements. Prospective investors in the Securities should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series. In the event that a secondary market does not develop, it is unlikely that an investor in the Securities will be able to sell his Securities or at prices that will provide him with a yield comparable to similar investments that have a developed secondary market.

**(p) *Risks relating to emerging markets***

Where the Securities reference one or more emerging market Reference Asset(s), purchasers of such Securities should be aware that they may be subject to risks in addition to those risks normally associated with an investment relating to the respective type of Reference Asset. The political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, which may result in a significant risk of high inflation and currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Some of these countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or restrictions being imposed



on foreign purchasers, expropriation of assets, confiscatory taxation, confiscation or nationalisation of foreign bank deposits or other assets, the introduction of currency controls or other detrimental developments, which may financially impair investments in such countries, may be heightened. Such impairments can, under certain circumstances, last for long periods of time, i.e., weeks or years, and may result in the occurrence of market disruption events which means that no prices will be quoted for the Securities affected by such market disruption events. In addition, unanticipated political or social developments may affect the values of a Reference Asset investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the reference assets illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of the Reference Asset(s) and consequently it may be difficult to obtain a value for the Securities.

**(q) *Purchasing the Securities as a hedge may not be effective***

Any person intending to use the Securities as a hedge instrument should recognise the correlation risk. The Securities may not be a perfect hedge to a Reference Asset or portfolio of which the Reference Asset forms a part. In addition, it may not be possible to liquidate the Securities at a level which directly reflects the price of the Reference Asset or portfolio of which the Reference Asset forms a part.

**(r) *Taxes may be payable by investors***

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Holders are subject to the provisions of General Term 10 (*Taxation*) and accordingly each Holder shall be liable for and/or pay any tax, duty, charge, withholding or other similar payment (including any taxes due in relation to a financial transactions tax) in connection with the ownership of and/or any transfer or payment in respect of the Securities held by such Holder. For the avoidance of doubt, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, charge, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security, the relevant Holder shall be responsible for all Expenses (which includes any taxes due in relation to a financial transactions tax).

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

**(s) *No tax gross-up***

The Issuer shall have the right to withhold or deduct from any amount payable, such amount as shall be necessary to account for or to pay any tax, duty, charge, withholding or other payment. If payments on the Securities are or become subject to a withholding or deduction required by law or pursuant to an agreement with a taxing authority on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer may therefore make the required withholding or deduction, as the case may be, and, if it does so, neither the Issuer nor the Principal Agent nor any other person shall pay any additional amounts to the Holders in respect of such withholding or deduction. See General Term 10 (*Taxation*).

**(t) *Payments on the Securities may be subject to U.S. withholding tax and/or early termination on account of U.S. withholding tax***

Due to recently enacted U.S. legislation, payments on any Security that are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a "**Dividend Equivalent Payment**") may become subject to a 30

per cent. U.S. withholding tax when made to a beneficial owner that is not: (i) a citizen or individual resident of the United States, as defined in Section 7701(b) of the U.S. Internal Revenue Code, (ii) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any State thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person (a "**Non-U.S. holder**"). The imposition of this U.S. withholding tax will reduce the amounts received by Non-U.S. holders. Neither the Issuer nor the Principal Agent nor any other person shall pay any additional amounts to the Non-U.S. holders in respect of such U.S. withholding. Additionally, the Issuer may elect to terminate the Securities, in accordance with General Term 8(b), should this U.S. withholding tax apply to any current or future payments on the Securities. If a Non-U.S. holder becomes subject to this withholding tax, the Non-U.S. holder may be able to claim any exemptions under its applicable double tax treaty. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

**(u) U.S. Foreign Account Tax Compliance withholding and forced sale**

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2013 in respect of (i) any Securities issued or materially modified on or after 1 January 2014 and (ii) any Securities which are treated as equity for U.S. federal tax purposes, whenever issued, pursuant to the foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act of 2010. This withholding tax may be triggered if (i) the Issuer is treated as making any Dividend Equivalent Payments, (ii) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement ("**FATCA Agreement**") with the U.S. Internal Revenue Service to provide certain information on its account holders (making the Issuer a "**Participating FFI**") and its account holders (or their beneficial owners thereof) either do not provide identifying information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA or the account holder is or holds its Security through a non-Participating FFI (as defined in FATCA), or (iii) the intergovernmental agreement ("**IGA**") entered into (in connection with the implementation of FATCA) between the United Kingdom and the United States requires withholding on payments to any FFI to or through which payment on such Securities is made if such FFI is not a Participating FFI or otherwise exempt from FATCA withholding.

In addition, the Issuer may be required under a FATCA Agreement to close out (e.g., force the sale or redemption of) any Holder (other than an FFI) that does not comply with requests for identifying information under FATCA. In this event, the Holder may receive less than the then fair market value of such interest.

The application of FATCA to interest, principal or other amounts paid with respect to the Securities is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Securities as a result of a Holder's or beneficial owner's failure to comply with these rules, as a result of the Holder or beneficial owner being a non-Participating FFI, or as a result of the presence in the payment chain of a non-Participating FFI, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Holders of the Securities should consult their own tax advisers on how these rules may apply to payments they receive under the Securities.

The application of FATCA to Securities may be addressed in a supplement to this Base Prospectus.

***EACH HOLDER OF SECURITIES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.***

**(v) *Risks associated with Securities held in global form***

The Securities will initially be held by or on behalf of one or more clearing systems specified in the relevant Final Terms (each a "**Relevant Clearing System**"), either in the form of a global Security which will be exchangeable for definitive Securities in the event of the closure of all Relevant Clearing Systems or in dematerialised form depending on the rules of the Relevant Clearing System. For as long as any Securities are held by or on behalf of a Relevant Clearing System, payments of principal (if any) and any other amounts will be made through the Relevant Clearing System, where required, against presentation or surrender (as the case may be) of any relevant global Security. The risk is that the bearer of the relevant global Security, typically a depositary or a nominee for a depositary for the Relevant Clearing System, or, in the case of Securities in dematerialised form, the Relevant Clearing System and not the Holder itself, shall be treated by the Issuer and any Agent as the sole holder of the relevant Securities with respect to the payment of principal (if any) and any other amounts payable in respect of the Securities. Holders therefore are required to look to the bearer of the relevant global Security or the Relevant Clearing System, as applicable, for their share of payments made by the Issuer in respect of Securities in global or dematerialised form, respectively. For the avoidance of doubt, an event of default shall not occur (and Holders accordingly shall not have the right to declare any Security(ies) immediately due and payable at the Unscheduled Early Termination Amount) in respect of the failure of any payment of any amount owing by the Issuer under the Securities to be made by or through the Relevant Clearing System to any Holder in the circumstance where the Issuer has paid such amount to the bearer of the global Security or the Relevant Clearing System, as applicable.

A Holder's beneficial interest in Securities which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

**(w) *Risk associated with nominee arrangements***

Where a nominee service provider is used by an investor to hold Securities or such investor holds interests in any Security through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal or any other amounts due solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments or securities attributable to the relevant Securities which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the Issuer.

In addition, such a Holder will only be able to sell any Securities held by it prior to their stated exercise date or termination date (as the case may be) with the assistance of the relevant nominee service provider or Relevant Clearing System.

Neither the Issuer nor any Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

**(x) *The return on an investment in Securities will be affected by charges incurred by investors***

An investor's total return on an investment in any Securities will be affected by the level of fees charged by any nominee service provider and/or Relevant Clearing System used by the

investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Securities, custody services and on payments of principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Securities.

**(y) *The return on an investment in Securities will be affected by any commissions or fees paid or received by the Issuer***

An investor's total return on an investment in any Securities will be affected by (i) the level of any fees or commissions paid by the Issuer to any distributor(s), sales agent(s) or other intermediary(ies), or (ii) the level of any management or other fees paid to, or received by the Issuer from, third parties. Potential investors should consider the level of any such fees, the basis on which such fees are paid or received and the impact of such fees on the return on an investment in the Securities.

**(z) *Change of law and jurisdiction***

The terms and conditions of the Securities are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practice after the date of this Base Prospectus. Prospective investors in the Securities should note that the courts of England shall have jurisdiction in respect of any disputes involving the Securities. Holders may, however, take any suit, action or proceedings arising out of or in connection with the Securities against the Issuer in any court of competent jurisdiction. English law may be materially different from (i) the equivalent law in the home jurisdiction of prospective investors and (ii) such home court's application of local law to the Securities.

There may be changes to laws, or their interpretation, in other countries which affect the Securities. Changes in taxation, corporate, regulatory and money laundering laws in any relevant jurisdiction could have a negative impact on the value of the Securities.

**(aa) *Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. Where a Series of Securities is to be rated, such rating will not necessarily be the same as any rating assigned to any Securities already issued. Whether or not a rating in relation to any Series of Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Issuer's credit ratings are an assessment, by each rating agency, of its ability to pay its obligations, including those under the Securities. Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating organisation in its sole discretion. However, because the return on the Securities is dependent upon factors in addition to the Issuer's ability to pay its obligations under the Securities, an improvement in its credit ratings will not necessarily increase the market price of the Securities and will not reduce market risk and other investment risks related to the Securities. Credit ratings (i) do not reflect market risk, which is the risk that the level of the Reference Asset may fall resulting in a loss of some or up to all of a Holder's investment and (ii) do not address the price, if any, at which the Securities may be resold prior to exercise (which may be substantially less than the issue price of the Securities).

**(bb) *Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should

consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

**(cc) *Modification, waivers and substitution***

The Issuer may decide to make modifications to the Securities without the consent of the Holders which may affect the Holders' interest:

- (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest error, proven error or other defective provision, as determined by the Issuer;
- (ii) in any other manner which is not materially prejudicial to the interests of the Holders; or
- (iii) where, following a change in market, regulatory, judicial, fiscal or other circumstances, the Issuer determines such modification is necessary, in order that the Securities replicate as closely as possible investments in the Reference Asset(s) underlying the Securities and its components in line with the investment objectives of the Securities.

**(dd) *Force majeure***

Subject to certain restrictions, the Issuer will be excused from having to make payments under the Securities when due and from performing any of its other obligations where and for so long as the delay or non-performance is, in the determination of the Issuer, arising out of or due to the occurrence of a "force majeure event". Essentially, a "force majeure event" is any event which is beyond the reasonable control of the Issuer and the effect of which is to restrict, prevent, prohibit or renders impossible or impracticable the performance of the Issuer's obligations under the Securities. If a "force majeure event" continues for more than three months, any Holder may declare a Security to be immediately due and payable at the Unscheduled Early Termination Amount. See risk factor 2(j) (*The Securities may be terminated early for reasons of illegality, tax or (if applicable) illiquidity*) above for a description of the risks to investors in relation to early termination and the Unscheduled Early Termination Amount.

**(ee) *Correction of published prices or levels***

If the correction of published prices or levels is specified as applicable in the relevant Final Terms, and in the event that the relevant published prices or levels of a Reference Asset are subsequently corrected and such correction is published by the entity or sponsor responsible for publishing such prices or levels, subject to such correction and publication occurring prior to a specified cut-off date in respect of the relevant Securities, such corrected prices or levels will be taken into account by the Issuer in any determination in relation to the Securities, subject to the provisions of the relevant terms and conditions for the Securities. Any such determination may have an adverse effect on the value of the Securities.

**3. Factors relating to the particular type of Reference Asset**

**(a) *Risks associated with Equities (including depositary receipts)***

- (i) *Factors affecting the performance of Equities may adversely affect the value of the Securities*

The performance of an Equity is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, ability to innovate, ability to retain key personnel, shareholder structure and dividend distribution policy.

(ii) *Actions by the issuer of an Equity may adversely affect the Securities*

The issuer of an Equity will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The issuer of an Equity may take any actions in respect of such Equity without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities.

(iii) *Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Securities*

The adjustment events referred to in risk factor 2(h) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*) include, in respect of an Equity, Potential Adjustment Events and Extraordinary Events. Potential Adjustment Events include (A) a subdivision, consolidation or re-classification of an Equity, (B) an extraordinary dividend, (C) a call of an Equity that is not fully paid, (D) a repurchase by the issuer of an Equity, or an affiliate thereof, of such Equity, (E) a separation of rights from an Equity, (F) a distribution, issue or dividend to existing holders of an Equity of any security (including such Equity), right, warrant or any other asset for payment (in cash or other consideration) at less than the prevailing market price, or (G) any event having a dilutive or concentrative effect on the value of the Equity. Extraordinary Events include (I) a delisting of the Equity on an exchange, (II) an insolvency or bankruptcy of the issuer of the Equity, (III) a merger event entailing the consolidation of the Equity with those of another entity, (IV) a nationalisation of the issuer of the Equity or transfer of the Equity to a governmental entity, or (V) a tender offer or takeover offer that results in transfer of the Equity to another entity.

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to an Equity or the issuer of such Equity, the Issuer has discretion to make certain determinations to account for such event including to (1) make adjustments to the terms of the Securities, and/or (2) (in the case of an Extraordinary Event) cause an early termination of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(iv) *Loss of return of dividends in respect of most Securities linked to Equities*

Unless the terms and conditions of the Securities specify otherwise, Holders of such Securities in respect of which a Reference Asset is an Equity will not participate in dividends or other distributions paid on such Equity. Therefore, the return on such Securities will not reflect the return a Holder would have realised had it actually owned such Equity and received the dividends on it.

(v) *Additional risks associated with Securities linked to depositary receipts as Reference Assets*

(A) *Exposure to risk that redemption amounts do not reflect direct investment in the shares underlying the depositary receipts*

The redemption amount payable on Securities that reference depositary receipts may not reflect the return a purchaser would realise if he or she actually owned the relevant shares underlying the depositary receipts and received the dividends paid on those shares because the price of the depositary receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, purchasers of Securities that reference depositary receipts as Reference Assets may receive a lower payment upon redemption of such Securities than such purchaser would have received if he or she had invested in the shares underlying the depositary receipts directly.

(B) *Exposure to risk of non-recognition of beneficial ownership*

The legal owner of shares underlying the depositary receipts is the custodian bank which at the same time is the issuing agent of the depositary receipts. Depending on the jurisdiction under which the depositary receipts have been issued and the jurisdiction to which the custodian agreement is subject, it cannot be ruled out that the relevant jurisdiction does not recognise the purchaser of the depositary receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free transfer is issued with respect to the shares underlying the depositary receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, a holder of such depositary receipt loses any rights under the underlying shares represented by the depositary receipt, and this would in turn have an adverse effect on Securities with such depositary receipt as a Reference Asset.

(C) *Potential exposure to risks of emerging markets*

Depositary receipts often represent shares of issuers based in emerging market jurisdictions. See risk factor 2(p) (*Risks relating to emerging markets*).

(D) *Exposure to risk of non-distributions*

The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its depositary receipts, which can affect the value of the depositary receipts and this would in turn have an adverse effect on Securities with such depositary receipt as a Reference Asset.

**(b) *Risks associated with Indices***

(i) *Factors affecting the performance of Indices may adversely affect the value of the Securities*

Indices are comprised of a synthetic portfolio of shares or other assets, and as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, ability to innovate, ability to retain key personnel, shareholder structure and dividend distribution policy.

(ii) *Returns on Securities will not be the same as a direct investment in futures or option on the Index or in the underlying components of the Index*

An investment in the Securities is not the same as a direct investment in futures or option contracts on the Index nor any or all of the constituents included in each Index. In particular, investors may not benefit directly from any positive movements in an Index nor will investors benefit from any profits made as a direct result of an investment in the components of an Index. Accordingly, changes in the performance of an Index may not result in comparable changes in the market value of the Securities. Further, Holders will not receive dividends issued by companies included in an Index.

(iii) *Loss of return of dividends in respect of Securities linked to Indices*

The rules of an Index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index. As a result, Holders of Securities linked to such Index would lose the benefit of any dividends paid by the components of the Index and would underperform a position where they invested directly in such components or where they invested in a "total return" version of the Index. Even if the rules of the relevant underlying Index provide that distributed dividends or other distributions of the components are reinvested in the Index and

therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Index.

- (iv) *A change in the composition or discontinuance of an Index could have a negative impact on the value of the Securities*

The sponsor of an Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of the components of an Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the value of the Securities. The sponsor of an Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Securities, and any of these actions could have an adverse effect on the value of the Securities.

- (v) *Occurrence of Index Adjustment Events*

Upon determining that an Index Adjustment Event has occurred in relation to an Index, the Issuer has the discretion to make certain determinations and adjustments to account for such event including to (A) make adjustments to the terms of the Securities, and/or (B) cause an early termination of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

- (c) *Risks associated with exchange traded futures contracts on an underlying index ("Index Futures Contracts")*

*Factors affecting the performance of Index Futures Contracts may adversely affect the value of the Securities*

Where the Securities reference Index Futures Contracts on an Index, the purchasers of such Securities are exposed to the performance of the Index Futures Contracts in respect of such Index.

A cash settled futures contract linked to an Index is one where, depending on the level of the Index, the buyer of the futures contract either has a right to receive a payment (known as the settlement amount) from the seller of the futures contract or an obligation to make a payment to the seller of the futures contract. If the level of the Index on one or more specified dates (the "**settlement price**") is greater than a specified level in the contract (the "**forward price**"), then the seller shall pay to the buyer the difference between the settlement price and the forward price. If the settlement price is less than the forward price, the buyer of the futures contract will make a payment to the seller of the futures contract equal to such difference.

Index Futures Contracts may be traded on the relevant futures exchanges and may be standardised with respect to the number of futures covered by one Index Futures Contract, the term of each Index Futures Contract, the dates on which various Index Futures Contracts expire and the manner in which the settlement amount is calculated.

There may be a correlation between the day to day change in the level of an Index and the price at which an Index Futures Contract trades on the relevant futures exchange. However, the expectations of dealers in Index Futures Contracts of the level of the Index on the date(s) on which the settlement amount of an Index Futures Contract is determined may also have an impact on the price of an Index Futures Contract on the Index. For example, if the expectation of dealers in futures contracts is that the settlement price of the Index on the date(s) on which the settlement amount of the futures contract is determined will be lower than the forward price of the Index specified in the contract, this may result in the price of the futures contract falling (in the case of buyers of the futures contract) or rising (in the case of sellers of the futures contract) even where the current level of the Index is rising. Moreover, because the



settlement amount of many futures contracts is a multiple of the difference between the settlement price and the forward price, a relatively small change in the level of an Index may result in a proportionately much larger change in the price of the futures contract.

**(d) *Risks associated with Commodities and Commodity Indices***

**(i) Commodity prices may be more volatile than other asset classes**

Trading in Commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationship (including whether any alternative to the Commodity exists), weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in interest and exchange rates. Commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of speculators and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

Certain developing countries – such as China – have become very significant users of certain commodities. Therefore, economic developments in such jurisdictions may have a disproportionate impact on demand for such commodities.

Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. Therefore, developments in relation to such countries or producers could have a disproportionate impact on the prices of such commodities.

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant Commodity, and therefore sharply reduce the value of any Securities linked to such Commodity.

**(ii) *Suspension or disruptions of market trading in Commodities and related futures contracts may adversely affect the value of the Securities***

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular commodity contract, which could adversely affect the value of a Commodity or a Commodity Index and, therefore, the value of any Securities linked to such Commodity or Commodity Index.

**(iii) *Legal and regulatory changes***

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer and/or any of its affiliates to hedge the Issuer's obligations under the Securities. Such legal and regulatory changes could lead to the early termination of the Securities or to the adjustment of the terms and conditions of the Securities. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of the Securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides for substantial changes to the regulation of the futures and over-the-counter ("**OTC**") derivative markets, was enacted in July 2010. The Dodd-Frank Act requires regulators, including the Commodity Futures Trading Commission (the "**CFTC**"), to adopt regulations in order to implement many of the requirements of the legislation. While the CFTC has proposed many of the required regulations and has adopted certain final regulations, the ultimate nature and scope of the regulations cannot yet be determined. Under the Dodd-Frank Act, the CFTC has approved a final rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives on physical commodities. Such rule had been scheduled to come into effect in October 2012, but was struck down by a U.S. Federal court in September of that year. It is presently unclear what provisions the CFTC will propose in respect of position limits to meet the court's objections. In addition, the CFTC has made certain changes to the regulations that subject many transactions utilising swaps to regulation as "commodity pools". While the full impact of such rules is not yet known, these regulatory changes are likely to restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives on physical commodities to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes are likely to increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers will also be required to be registered and will be subject to various regulatory requirements, including capital and margin requirements. In addition, unless all of the conditions of certain limited exemptions are met, collateral managers and/or other persons involved in the operations of the securitisation vehicle may have to register as "commodity pool operators" and/or "commodity trading advisors". The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the prices of Commodities, which could in turn adversely affect the return on and value of the Securities. The adoption of position limit regulations may result in the occurrence of a "Change in Law" which is an Additional Disruption Event (see risk factor 2(g) (*Occurrence of Additional Disruption Events*)).

In addition, other regulatory bodies have proposed, or may in the future propose, legislation similar to that proposed by the Dodd-Frank Act or other legislation containing other restrictions that could adversely impact the liquidity of and increase costs of participating in the commodities markets. For example, the European Commission published a proposal to update the Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR), which propose regulations to establish position limits (or an alternative equivalent) on trading commodity derivatives, although the scope of any final rules and the degree to which member states will be required or permitted to adopt these regulations or additional regulations remains unclear. If these regulations are adopted or other similar regulations are adopted in the future, they could have an adverse effect on the prices of Commodities and the return on and value of the Securities.

- (iv) *Future prices of Commodities and/or commodities included in a Commodity Index that are different relative to their current prices may result in a reduced amount payable upon redemption or exercise*

Commodity contracts have a predetermined expiration date – a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or

receive a cash settlement. Alternatively, "rolling" the commodity contracts means that the commodity contracts that are nearing expiration (the "**near-dated commodity contracts**") are sold before they expire and commodity contracts that have an expiration date further in the future (the "**longer-dated commodity contracts**") are purchased. Investments in commodities apply "rolling" of the component commodity contracts in order to maintain an ongoing exposure to such commodities.

If the market for a commodity contract is in "backwardation", then the price of the longer-dated commodity contract is lower than in the near-dated commodity contract. The rolling therefore from the near-dated commodity contract to the longer-dated commodity contract creates a "roll yield", the amount of which will depend on the amount by which the unwind price of the former exceeds the spot price of the latter at the time of rolling. Conversely, if the market for a commodity contract is in "contango", then the price of the longer-dated contract is higher than the near-dated commodity contract. This could result in negative "roll yields".

As a result of rollover gains/costs that have to be taken into account within the calculation of such indices and under certain market conditions, such indices may outperform or underperform the underlying commodities contained in such indices. Furthermore, the prices of the underlying commodities may be referenced by the price of the current futures contract or active front contract and rolled into the following futures contract before expiry.

The value of Securities linked to a Commodity Index is, therefore, sensitive to fluctuations in the expected futures prices of the relevant commodities contracts comprising such Commodity Index. A Commodity Index may outperform or underperform its underlying commodities. In a "contango" market, this could result in negative "roll yields" which, in turn, could reduce the level of such Commodity Index and, therefore, have an adverse effect on the value of the Securities.

- (v) *Commodity Indices may include contracts that are not traded on regulated futures exchanges*

Commodity Indices are typically based on futures contracts traded on regulated futures exchanges. However, a Commodity Index may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, for example, the U.S. Commodity Exchange Act of 1936, or other applicable statutes and related regulations that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated UK futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities, and the inclusion of such contracts in a Commodity Index, may be subject to certain risks not presented by, for example, U.S. or UK exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

- (vi) *A change in the composition or discontinuance of a Commodity Index could adversely affect the market value of the Securities*

The sponsor of a Commodity Index can add, delete or substitute the components of such Commodity Index or make other methodological changes that could change the level of one or more components. The changing of components of any Commodity Index may affect the level of such Commodity Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the value of the Securities. The sponsor of a Commodity Index may also alter, discontinue or suspend calculation or dissemination of such Commodity

Index. The sponsor of a Commodity Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of a Commodity Index may take any actions in respect of such Commodity Index without regard to the interests of investors in the Securities, and any of these actions could adversely affect the value of the Securities.

- (vii) *Continuation of calculation of Commodity Index level upon the occurrence of a disruption event in relation to a component*

If a disruption event occurs with respect to any component included in a Commodity Index, the adjustment provisions included in the terms and conditions of the Securities will apply, including the potential determination by the Calculation Agent of the value of the relevant disrupted component and, in turn, the value of such Commodity Index on the date specified in such Securities. However, regardless of the disruption event, the sponsor of the Commodity Index may continue to calculate and publish the level of such Commodity Index. In such circumstances, purchasers of the Securities should be aware that the value of the Commodity Index determined by the Calculation Agent upon the occurrence of a disruption event may not reflect the value of the Commodity Index as calculated and published by the sponsor of such Commodity Index for the relevant valuation date, nor would the Issuer be willing to settle, unwind or otherwise using any such published value while a disruption event is occurring with respect to any component included in a Commodity Index. Any of these actions could have an adverse effect on the value of the Securities.

- (viii) *Occurrence of Index Adjustment Events*

Upon determining that an Index Adjustment Event has occurred in relation to a Commodity Index, the Calculation Agent has the discretion to make certain determinations and adjustments to account for such event including to (A) make adjustments to the terms of the Securities, and/or (B) cause an early termination of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

- (e) ***Risks associated with Currency Exchange Rates***

- (i) *Factors affecting the performance of the relevant Currency Exchange Rate may adversely affect the value of the Securities*

The performance of Currency Exchange Rates, currency units or units of account are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, fiscal and monetary policy, government debt, currency convertibility and safety of making financial investments in the currency concerned, speculation and intervening measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency. Any such measures could have a negative impact on the value of a Currency Exchange Rate and consequently the value of the Securities.

- (ii) *Currency exchange risks are heightened in the current climate of financial uncertainty*

Currency exchange risks can be expected to heighten in periods of financial turmoil. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis with sudden and severely adverse consequences to the currencies of those regions as a result. In addition, governments around the world have recently made, and may be expected to continue to make, very

significant interventions in their economies, and sometimes directly in their currencies. It is not possible to predict the effect of any future legal or regulatory action relating to a currency. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets – including the replacement of entire currencies with new currencies – may cause currency exchange rates to fluctuate sharply in the future, which could have a negative impact on the value of the Securities.

**(f) *Risks associated with exchange traded funds***

- (i) *Where the Reference Asset is an exchange traded fund, there is a risk that such exchange traded fund will not accurately track its underlying share or index*

Where the Securities are linked to an ETF and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Securities are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly.

- (ii) *Action or non-performance by the Management Company, fund administrator or sponsor of an exchange traded fund may adversely affect the Securities*

The Management Company, fund administrator or sponsor of an ETF will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The Management Company, fund administrator or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities.

In its day-to-day operations and its investment strategy, an ETF will rely on the fund advisor, the investment advisor, the Management Company and/or on third parties providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments used by such ETF to employ its investment strategy. The insolvency or non-performance of services of any such persons or institutions may expose an ETF to financial loss. Failure of procedures or systems, as well as human error or external events associated with an ETF's management and/or administration may cause losses to an ETF and affect the market value of the Securities.

- (iii) *Exchange traded funds are not actively managed*

An ETF is not actively managed and may be affected by general movements in market segments related to the index or other asset it is tracking. An ETF invests in instruments included in, or that are representative of, the index or other asset it is tracking regardless of their investment merits.

- (iv) *Exchange traded funds may engage in securities lending*

Securities lending involves the risk that the ETF may lose money because the borrower of the ETF's loaned securities fails to return the securities in a timely manner or at all.

- (v) *Exchange traded funds are subject to market trading risks*

An ETF faces numerous market trading risks, including but not limited to the potential lack of an active market for its shares, losses from trading in secondary markets, periods of high volatility, limited liquidity and disruption in the creation or redemption

process of such ETF. If any of these risks materialises, this may lead to the ETF shares trading at a premium or discount to the net asset value.

**(g) *Risks associated with Funds***

*The performance of the Fund is subject to many factors, including Fund strategies, underlying Fund investments, the Management Company and other factors*

A Fund, and any underlying Fund components in which it may invest, may utilise strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. Funds, and any underlying Fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. No assurance can be given relating to the present or future performance of a Fund and any underlying Fund component in which it may invest. The performance of a Fund and any underlying Fund component in which it may invest is dependent on the performance of the Management Company in selecting underlying Fund components and the management of the relevant component in respect of the underlying Fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a Fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to Funds:

- (i) *Illiquidity of Fund investments:* The net asset value of a Fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the performance of a Fund's underlying. Investments by a Fund in certain underlying assets will have limited liquidity. Interests in a Fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the Management Company's consent (which may be given or withheld in its discretion). Furthermore, the relevant Fund documents typically provide that interests therein may be voluntarily terminated only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the Management Company. A Fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A Fund is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such Fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a Fund investment entered into by the Issuer for the purposes of hedging that is necessary to meet the requirements of any investment guidelines or tests that the Issuer may have requested. Also, limited liquidity increases the risk that the Issuer may be unable to meet its current obligations during periods of adverse general economic conditions, and insufficient liquidity during the final liquidation of assets of a Fund may cause purchasers of the Securities to receive any final distribution after the relevant Settlement Date.
- (ii) *Reliance on trading models:* Some of the strategies and techniques used by the Management Company may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, securities, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of future performance of a Fund. If future performance or such correlations vary significantly from the assumptions in such statistical models, then the Management Company may not achieve its intended results or investment performance.

- (iii) *Diversification*: The number and diversity of investments held by a Fund may be limited, even where such Fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.
- (iv) *Fund leverage*: The Management Company of a Fund may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.
- (v) *Trading limitations and frequency*: Suspensions or limits for securities listed on a public exchange could render certain strategies followed by a Fund difficult to complete or continue. The frequency of a Fund's trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.
- (vi) *Valuations*: The valuation of a Fund is generally controlled by the Management Company. Valuations are performed in accordance with the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the Management Company may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.
- (vii) *Dependence on the expertise of key persons*: The performance of a Fund will depend greatly on the experience of the investment professionals associated with the Management Company. The loss of one or more of such individuals could have a material adverse effect on the performance of a Fund. Further, investment decisions are ultimately made by the fund managers and thus investors are reliant upon their expertise in implementing the Fund's objectives.
- (viii) *Occurrence of certain events*: Upon the occurrence of certain events in relation to a Fund, the Issuer has discretion to make certain determinations and adjustments (subject to the terms and conditions of the relevant Securities), substitute the original Fund with another fund and/or to cause early termination of the Securities. These actions could have an adverse effect on the value of the Securities.

**(h) *Risks associated with Government Bond Futures Contracts***

Factors affecting the performance of the relevant Government Bond Futures Contract may adversely affect the value of the Securities

Where the Securities reference Government Bond Futures Contracts on a Government Bond, the purchasers of such Securities are exposed to the performance of the Government Bond Futures Contracts in respect of such Government Bond.

A cash settled futures contract linked to a Government Bond is one where, depending on the value of the Government Bond, the buyer of the futures contract either has a right to receive a payment (known as the settlement amount) from the seller of the futures contract or an obligation to make a payment to the seller of the futures contract. If the value of the Government Bond on one or more specified dates (the "settlement price") is greater than a specified value in the contract (the "forward price"), then the seller shall pay to the buyer the difference between the settlement price and the forward price. If the settlement price is less

than the forward price, the buyer of the futures contract will make a payment to the seller of the futures contract equal to such difference.

Government Bond Futures Contracts may be traded on the relevant futures exchanges and may be standardised with respect to the number of futures covered by one Government Bond Futures Contract, the term of each Government Bond Futures Contract, the dates on which various Government Bond Futures Contracts expire and the manner in which the settlement amount is calculated.

There may be a correlation between the day to day change in the value of a Government Bond and the price at which a Government Bond Futures Contract trades on the relevant futures exchange. However, the expectations of dealers in Government Bond Futures Contracts of the value of the Government Bond on the date(s) on which the settlement amount of a Government Bond Futures Contract is determined may also have an impact on the price of a Government Bond Futures Contract. For example, if the expectation of dealers in futures contracts is that the value of the Government Bond on the date(s) on which the settlement amount of the futures contract is determined will be lower than the forward price of the Government Bond specified in the contract, this may result in the price of the futures contract falling (in the case of buyers of the futures contract) or rising (in the case of sellers of the futures contract) even where the current value of the Government Bond is rising. Moreover, because the settlement amount of many futures contracts is a multiple of the difference between the settlement price and the forward price, a relatively small change in the value of a Government Bond may result in a proportionately much larger change in the price of the futures contract.

The value of a government bond may be volatile and is subject to market conditions. Sovereign bond values are influenced, among other things, by the ability of a government to repay its debts, inflation, currency depreciation and prevailing interest rates. The positive or negative level of a country's economic output may also have a material effect on the perception of that country's solvency. Investors sometimes assume that sovereign debt instruments are safer assets as compared to debt instruments issued by a corporate entity, which may not be the case.

#### **4. Factors relating to potential conflicts of interest of the Issuer**

##### **(a) *Calculations and determinations by the Issuer and Calculation Agent under the Securities***

Where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Holders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the terms and conditions that may influence the amount receivable on the Securities. The Calculation Agent is agent for the Issuer and not for the Holders.

Potential conflicts of interest may exist in the structure and operation of the issuance of the Securities and in the course of the normal business activities of the Issuer, the Calculation Agent and any of its respective affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents (each a "**person**"). The Issuer or the Calculation Agent may make certain determinations with respect to the Securities (in accordance with the terms and conditions of the Securities) which can affect (positively or negatively) the value of the Securities.

During the course of their normal business, each person may enter into or promote, offer or sell transactions or investments (structured or otherwise) linked to a Reference Asset. In addition, any person may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to a Reference Asset, or may invest or engage in transactions with other entities, or on behalf of such entities relating to a Reference Asset. Such activity may or may not have an impact on the value of the Securities but all investors should be aware that a conflict of interest could arise where anyone is acting in more than one



capacity, and such conflict may have an impact, positive or negative on the value of the Securities. None of the Issuer, the Calculation Agent or any other person has any duty to consider the circumstances of any entities when participating in such transactions or to conduct themselves in a manner that is favourable to any investor in the Securities. Neither the Issuer nor the Calculation Agent has any obligations of agency or trust for any investors and neither the Issuer nor the Calculation Agent has any fiduciary obligations towards them.

Further, each person may:

- (i) act as adviser and/or manager to clients in investment banking, financial advisory, asset management and other capacities notwithstanding that any such client may also be an obligor of a Reference Asset or may be related to such an entity;
- (ii) act in a proprietary capacity and to hold long or short positions in instruments of the same class or type as a Reference Asset;
- (iii) serve as directors (whether supervisory or managing), officers, employees, agents, nominees or signatories of any Reference Asset;
- (iv) receive fees for services of any nature rendered to issuers or obligors of any Reference Asset;
- (v) be a secured or unsecured creditor of any issuer or obligor of a Reference Asset;
- (vi) underwrite, act as a distributor of, or make a market in obligations of any issuer or obligor of a Reference Asset and to enter into derivative contracts with any such entity or that relate to any such entity or to obligations of any such entity;
- (vii) serve as a member of any "creditors' committee" or informal workout group with respect to the issuer or obligor of any Reference Asset; and
- (viii) have multiple advisory, transactional, financial and other interests in the issuers or obligors of any Reference Asset.

See also risk factor 1(h) (*The Calculation Agent has discretion under the terms and conditions of the Securities to make a number of determinations which could have a material adverse effect on the value of the Securities*) and risk factor 2(l) (*Actions taken by the Calculation Agent may have a negative impact on the value of the Securities*).

**(b) Hedging and dealing activities may adversely affect the value of the Securities**

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Securities, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Reference Asset whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Asset. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Asset which may affect the market price, liquidity or value of the Reference Asset and/or the Securities and which could be deemed to be adverse to the interests of the Holders. The Issuer and/or its affiliates are likely to modify their hedging positions throughout the life of the Securities whether by effecting transactions in the Reference Asset or in derivatives linked to the Reference Asset. Any such activities may adversely affect the value of the Securities and/or may delay settlement in respect of the Securities.

**(c) *The Issuer may have confidential information relating to the Securities and the Reference Asset(s)***

The Issuer and its affiliates (and any of their employees) may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Securities, the Reference Asset(s) and any derivative instruments referencing them. None of the Issuer or its affiliates will be obliged (and may be subject to legal prohibition) to disclose any such information to a purchaser of the Securities, even where such information may be material to the decision by an investor as to whether or not to purchase the Securities.

**(d) *Sponsor of an Index***

The Issuer or certain affiliates of the Issuer may be the sponsor of an Index to which the Securities are linked, in which case such index shall be deemed to be a "proprietary index" for the purposes of the Index Linked Terms. The Index may be developed, owned, calculated and maintained by the Issuer or an affiliate of the Issuer, who would be responsible for the composition, calculation and maintenance of such Index. In such circumstances, the index sponsor would be under no obligation to take into account the interests of the purchasers of any Securities referenced by such Index. In such capacity as index sponsor, the Issuer or its affiliate, as applicable, will have the authority to make determinations that could materially affect the value of the Security.

An Index shall be deemed to be a "proprietary index" for the purposes of the Index Linked Terms where (i) (as described above) such index is composed by the Issuer and/or any of its affiliates, i.e., the Issuer and/or any of its affiliates owns and sponsors such index or (ii) the relevant Final Terms specifies that such index is a "Proprietary Index" (for the avoidance of doubt, such index may not be an index composed, owned or sponsored by the Issuer and/or any of its affiliates).

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**DOCUMENTS INCORPORATED BY REFERENCE**

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The following documents which have previously been published and have been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Act on Financial Supervision (*Wet op het financieel toezicht (Wft) 2007*) (the "**Competent Authority**") shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. The registration document of the Issuer dated 12 March 2013, which was published via the Regulatory News Service of the London Stock Exchange plc ("**RNS**") on 13 March 2013 (the "**Registration Document**"), excluding:
  - (a) the sub-section entitled "Assets, owners' equity and capital ratios" in the section of the Registration Document entitled "Description of The Royal Bank of Scotland plc";
  - (b) the sub-section entitled "Large exposure regime" in the section of the Registration Document entitled "Description of The Royal Bank of Scotland plc", which sub-section shall be deemed to be deleted following the grant of a direction by the Prudential Regulation Authority which has confirmed the Issuer is no longer in breach of certain current rules relevant to intra-group exposures; and
  - (c) the sub-section entitled "No Significant Change and No Material Adverse Change" in the section of the Registration Document entitled "General Information".
2. The annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the year ended 31 December 2012 (excluding the sections headed "Financial Review – Risk Factors" on page 7 and "Additional Information – Risk Factors" on pages 323 to 335), which were published via RNS on 5 April 2013.
3. The annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the year ended 31 December 2011 (excluding the sections headed "Financial review — Risk factors" on page 6 and "Additional information — Risk factors" on pages 283 to 296), which were published via RNS on 26 March 2012.
4. The following sections of the annual report and accounts of The Royal Bank of Scotland Group plc ("**RBSG**") for the year ended 31 December 2012, which were published via RNS on 27 March 2013:
  - (a) Independent auditor's report on page 352;
  - (b) Consolidated income statement on page 353;
  - (c) Consolidated statement of comprehensive income on page 354;
  - (d) Consolidated balance sheet on page 355;
  - (e) Consolidated statement of changes in equity on pages 356 to 358;
  - (f) Consolidated cash flow statement on page 359;
  - (g) Accounting policies on pages 360 to 372;
  - (h) Notes on the consolidated accounts on pages 373 to 474;

## Documents Incorporated by Reference

- (i) Parent company financial statements and notes on pages 475 to 486;
  - (j) Essential reading – Highlights on pages 2 to 3;
  - (k) Chairman's statement on pages 10 to 11;
  - (l) Group Chief Executive's review on pages 12 to 13;
  - (m) Our key targets on page 15;
  - (n) Our business and our strategy on pages 16 to 20;
  - (o) Divisional review on pages 21 to 32;
  - (p) Business review on pages 36 to 293;
  - (q) Corporate governance on pages 303 to 308;
  - (r) Letter from the Chair of the Group Performance and Remuneration Committee on pages 320 to 321;
  - (s) Directors' remuneration report on pages 322 to 342;
  - (t) Compliance report on pages 343 to 344;
  - (u) Report of the Directors on pages 345 to 349;
  - (v) Statement of directors' responsibilities on page 350;
  - (w) Financial Summary on pages 488 to 497;
  - (x) Exchange rates on page 498;
  - (y) Economic and monetary environment on page 499;
  - (z) Supervision on page 500;
  - (aa) Description of property and equipment on page 501;
  - (bb) Major shareholders on page 501;
  - (cc) Material contracts on pages 501 to 502; and
  - (dd) Glossary of terms on pages 528 to 535.
5. The following sections of the annual report and accounts of RBSG for the year ended 31 December 2011, which were published via RNS on 9 March 2012:
- (a) Independent auditor's report on page 306;
  - (b) Consolidated income statement on page 307;
  - (c) Consolidated statement of comprehensive income on page 308;
  - (d) Consolidated balance sheet as at 31 December 2011 on page 309;
  - (e) Consolidated statement of changes in equity on pages 310 to 312;
  - (f) Consolidated cash flow statement on page 313;
  - (g) Accounting policies on pages 314 to 326;
  - (h) Notes on the consolidated accounts on pages 327 to 419;

- (i) Parent company financial statements and notes on pages 420 to 431;
  - (j) Essential reading – Highlights on page 1;
  - (k) Chairman's statement on page 9;
  - (l) Group Chief Executive's review on pages 10 to 11;
  - (m) Our key targets on page 13;
  - (n) Our business and our strategy on pages 14 to 18;
  - (o) Divisional review on pages 19 to 29;
  - (p) Business review on pages 32 to 249;
  - (q) Corporate governance on pages 258 to 262;
  - (r) Letter from the Chair of the Group Remuneration Committee on pages 272 to 273;
  - (s) Directors' remuneration report on pages 274 to 295;
  - (t) Report of the Directors on pages 298 to 302;
  - (u) Directors' interests in shares on page 303;
  - (v) Financial Summary on pages 433 to 441;
  - (w) Exchange rates on page 441;
  - (x) Economic and monetary environment on page 442;
  - (y) Supervision on page 443;
  - (z) Regulatory developments and reviews on page 444;
  - (aa) Description of property and equipment on page 445;
  - (bb) Major shareholders on page 445;
  - (cc) Material contracts on pages 445 to 450; and
  - (dd) Glossary of terms on pages 476 to 483.
6. The unaudited Interim Management Statement Q1 2013 of RBSG, which was published via RNS on 3 May 2013.
7. The press release entitled "RBS announces planned management changes", which was published via RNS on 9 May 2013.

If the documents which are incorporated by reference in this Base Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus.

In relation to those documents of which only part thereof is incorporated by reference in this Base Prospectus, those parts of such documents which are not incorporated either are not relevant for the investor or are covered elsewhere in this Base Prospectus.

## Documents Incorporated by Reference

Copies of the above documents can be obtained from the registered office of the Issuer at 36 St Andrew Square, Edinburgh, EH2 2YB, Scotland and at <http://markets.rbs.com/bparchive> or <http://markets.rbs.com/launchpad>; Tel. 00 44 (0)131 523 3636.

The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus for use in connection with any subsequent issue of Securities.

This Base Prospectus and any supplement to this Base Prospectus will be valid for listing Securities on Euronext Amsterdam N.V. by NYSE Euronext and/or any other stock exchange or market in an unlimited aggregate number.

### *Material Changes*

Material changes of the Issuer's financial position since the date of this Base Prospectus will trigger the need for a supplement to this Base Prospectus under Article 16 of Directive 2003/71/EC and Swiss Listing Rule Scheme F 2.2.5. Any supplements to this Base Prospectus are accessible at <http://markets.rbs.com/bparchive> or <http://markets.rbs.com/launchpad> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email [investor.relations@rbs.com](mailto:investor.relations@rbs.com) or at the registered office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom.

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## OVERVIEW OF THE SECURITIES AND THE PROGRAMME

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*The following information is an overview of certain of the terms and features of the Securities which may be issued under this Base Prospectus and the Programme. Investors should also read the Summary, as well as the remainder of this Base Prospectus which sets out the actual terms summarised below and additional information.*

### MAIN PARTIES

<b>Issuer:</b>	The Royal Bank of Scotland plc
<b>Principal Agent:</b>	The Royal Bank of Scotland plc
<b>Calculation Agent:</b>	The Royal Bank of Scotland plc (unless otherwise specified)
<b>Dealer:</b>	The Royal Bank of Scotland plc (unless otherwise specified)

### TERMS AND CONDITIONS OF THE SECURITIES

<b>Terms and Conditions:</b>	<p>These comprise:</p> <ul style="list-style-type: none"> <li>◦ the General Terms;</li> <li>◦ the applicable Additional Terms (if any);</li> <li>◦ the applicable Asset Terms;</li> <li>◦ the applicable Payout Terms; and</li> <li>◦ the relevant Final Terms.</li> </ul>
<b>Final Terms:</b>	<p>A Final Terms shall be prepared for each issuance of Securities. The Final Terms shall:</p> <ul style="list-style-type: none"> <li>◦ specify which of the (i) Additional Terms (if any), (ii) Asset Terms and (iii) Payout Terms, as set out in this Base Prospectus shall apply to the particular Securities; and</li> <li>◦ complete the Terms and Conditions with the other issuance specific details relating to the particular Securities (such as, for example, the relevant dates and amounts and other details of the particular Securities).</li> </ul>

### DESCRIPTION OF THE PRODUCTS, KEY PRODUCT FEATURES AND HOW THE VALUE OF THE SECURITIES IS AFFECTED BY THE VALUE OF THE REFERENCE ASSET(S)

<b>General and form:</b>	The Securities that may be issued under this Base Prospectus comprise a range of different types of " <b>turbos</b> " in the form of certificates. The certificates may be in bearer form represented by a global security or dematerialised form, as specified in the relevant Final Terms.
<b>Types of products:</b>	<p>The Securities may be:</p> <ul style="list-style-type: none"> <li>• "<b>turbo certificates</b>"</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>"constant leverage turbo certificates"</b> or</li> <li>• <b>"booster turbo certificates"</b>.</li> </ul>
<b>No fixed maturity:</b>	The Securities do not have a fixed maturity or expiration date, and can either be terminated by the Issuer or exercised by the Holder, and may automatically terminate if the value of the Reference Asset reaches a pre-determined level (see <i>"Stop loss feature"</i> below).
<b>Types of Reference Asset(s):</b>	The Securities will track the value of the Reference Asset. The Reference Asset may be a commodity, commodity futures contract, currency exchange rate, fund (including an exchange traded fund), government bond futures contract, index (including a commodity index), index futures contract or equity share.
<b>Long or short:</b>	Each Security may be <b>long</b> or <b>short</b> .
<b>Long certificates:</b>	Long certificates enable the investor to profit from rising markets. If the value of the Reference Asset rises, the value of a long certificate will rise (see <i>"A leveraged investment"</i> below), subject to the cost of financing provided by the Issuer and the effect of any applicable foreign exchange rate (see <i>"Current financing level"</i> and <i>"Foreign exchange rates"</i> respectively below). If the value of the Reference Asset falls, the value of a long certificate will fall, subject to the cost of financing provided by the Issuer and the effect of any applicable foreign exchange rate.
<b>Short certificates:</b>	Short certificates enable the investor to profit from declining markets as they track the value of the Reference Asset in an inverse manner. If the value of the Reference Asset falls (see <i>"A leveraged investment"</i> below), the value of a short certificate will rise, subject to the cost of financing provided by the Issuer and the effect of any applicable foreign exchange rate (see <i>"Current financing level"</i> and <i>"Foreign exchange rates"</i> respectively below). If the value of the Reference Asset rises, the value of a short certificate will fall, subject to the cost of financing provided by the Issuer and the effect of any applicable foreign exchange rate.
<b>A leveraged investment:</b>	<p>The Securities enable investors to participate in any gains or falls in the value of the Reference Asset by investing only <u>part</u> of the value of the Reference Asset with the remaining portion financed by the Issuer. This creates leverage. The size of the leverage depends on the purchase price of the Securities compared to the value of the Reference Asset at the time of purchase. The lower the purchase price of the Securities is compared to the value of the Reference Asset, the higher the leverage will be. The leverage for turbo certificates or booster turbo certificates is not fixed and will vary from day to day. The leverage for constant leverage turbo certificates is reset daily to the target leverage factor (see <i>"Constant leverage turbo certificates"</i> below).</p> <p>Due to this leverage feature, the percentage gain if the value of the Reference Asset rises (in the case of long certificates) or falls (in the case of short certificates) and the percentage loss if the Reference Asset falls (in the case of long certificates) or rises (in the case of short certificates) is much higher in the Securities compared to a direct investment in the Reference Asset. Accordingly, a small movement in the value of the Reference Asset can have a significant effect on the value of the Securities. The higher the leverage, the</p>



more sensitive the Securities will be to any changes in the value of the Reference Asset.

**Due to such leverage feature, you should be aware that an investment in the Securities is more speculative than a direct investment in the Reference Asset, and you could lose up to the entire value of your investment.**

**Booster turbo certificates:** Booster turbo certificates are riskier products than turbo certificates since:

- generally, the leverage will be higher; and
- the stop loss price for booster turbo certificates is always equal to the current financing level (see "*Stop loss price*" and "*Current financing level*" respectively below). If the stop loss price is breached, the certificates will be terminated for a payout of zero, and **you will lose all of your investment.**

Another difference between booster turbo certificates and turbo certificates is that, in valuing a booster turbo certificate for purposes of bid/ask quotations as may be made by the Issuer, in addition to the intrinsic amount of the certificate (i.e. the amount it would pay out at that time), the Issuer will generally add a further element to the value known as the "gap risk premium". As the Issuer will need to unwind its hedging position in the Reference Asset once a stop loss event occurs, this premium is to compensate the Issuer for the risk that it may not be able to do so immediately (for example, due to a gap in trading hours) and may therefore suffer a loss. This premium will be determined by the Issuer based on current market conditions and can change at any time. Generally, the closer the value of the Reference Asset is to the stop loss price, the higher the premium.

**Constant leverage turbo certificates:**

Constant leverage turbo certificates are designed to achieve their stated objectives on a daily basis. Unlike turbo certificates or booster turbo certificates where the leverage is not fixed, the leverage for constant leverage turbo certificates is reset daily to the target leverage factor (based on daily observations of certain inputs, including the value of the Reference Asset and the certificates). As a result of the daily adjustment of the current financing level and simultaneous adjustment of the current participation factor, the relationship between the value of the Reference Asset and the value of Securities will remain unchanged through the life of the Securities.

Constant leverage turbo certificates are exchange traded financial products for investors with a short term investment horizon. They are not intended for investors who plan to buy and hold products over an intermediate or long time period. Investors who hold constant leverage turbo certificates for longer than one trading day may see their results vary significantly from the performance of the Reference Asset.

**Key product features:**

***Stop loss feature:***

The stop loss feature ensures that the value of the Securities will never be negative. If the value of the Reference Asset reaches the stop loss price (such event is called a stop loss event), the Securities

will terminate automatically and will pay:

- (a) In the case of turbo certificates and constant leverage turbo certificates: an amount which is determined by reference to (i) the residual value of the Reference Asset at which the Issuer's hedging position in the Reference Asset is unwound, (ii) the current financing level, and (iii) the entitlement. The residual value of the Reference Asset will be at least equal to the lowest (in the case of long certificates) or highest (in the case of short certificates) value of the Reference Asset during the period over which the Issuer's hedging position in the Reference Asset is unwound; and
- (b) In the case of turbo booster certificates: zero.

The maximum loss to an investor in the Securities (of all types) upon termination for a stop loss event is the initial amount invested.

***Stop loss price:***

For turbo certificates, the stop loss price is generally adjusted monthly by reference to the current financing level. For commodity futures contract turbo certificates and single stock turbo certificates, the stop loss price may be adjusted more often (for example, following a rollover date or on ex-dividend dates respectively).

For constant leverage turbo certificates, the stop loss price is adjusted on a daily basis as a pre-determined percentage of the current financing level.

For booster turbo certificates, the stop loss price is adjusted daily to match the current financing level.

***Current financing level:***

As mentioned above, the Securities enable investors to participate in any gains or falls in the value of the Reference Asset by investing only part of the value of the Reference Asset. The remaining portion is financed by the Issuer, and is called the current financing level. You will generally pay interest on the current financing level (or for turbo short certificates, you may even receive interest if market interest rates are high).

If the Reference Asset is an index, a fund or an equity share, the current financing level may be adjusted if such Reference Asset (or, for an index, a component share included in such index) goes ex-dividend, by deducting any cash dividends declared (after deduction of taxes) from the current financing level.

If the Reference Asset is a commodity futures contract, a government bond futures contract or an index futures contract, the current financing level may be adjusted on dates (if any) on which such futures contract is rolled forward, by deducting the rollover spread. If the rollover spread is positive, this will reduce the current financing level and the value of the Securities will rise (in the case of long certificates) or fall (in the case of short certificates). If the rollover spread is negative, this will increase the current financing level and the value of the Securities will fall (in the case of long certificates) or rise (in the case of short certificates).

***Funding cost:***

The funding cost is the interest (or income) payable (or received) by you on the current financing level. The funding cost will increase the current financing level on a daily basis. The funding cost is

determined by reference to (a) the current financing level, (b) the current spread, and (c) if the Reference Asset is not a commodity futures contract, a government bond futures contract or an index futures contract, the prevailing rate.

***Current spread:***

The current spread is a spread determined by the Calculation Agent by reference to the financing level currency, the prevailing market conditions and any other factors that the Calculation Agent determines to be relevant. A rise in the current spread will increase the funding cost and have a negative impact on the value of the Securities.

***Prevailing rate:***

The prevailing rate is the rate for deposits in the relevant currency in the interbank market for a designated maturity of either three months, one month or overnight. A rise in the prevailing rate will increase the funding cost.

***Foreign exchange rates:***

If the Reference Asset is denominated in a currency different to the settlement currency of the Securities, a rise in the currency of the Reference Asset against the settlement currency will have a positive effect on the value of the Securities, whereas a fall in the currency of the Reference Asset against the settlement currency will have a negative effect on the value of the Securities.

***Entitlement:***

The entitlement is the ratio of the value of a Security to the value of the Reference Asset. For most Securities, the entitlement will be equal to one. However, if the value of the Reference Asset is very large or small, the entitlement may be less than or more than one accordingly.

**Securities linked to  
different types of Reference  
Assets:**

***Commodity certificates:***

Commodity certificates are certificates where the Reference Asset is a commodity. The Reference Asset in relation to a commodity certificate will be selected from a wide range of commodities.

***Currency certificates:***

Currency certificates give their Holder exposure to the rate of exchange between two currencies. The Reference Asset in relation to a currency certificate will be selected from a wide range of currencies.

***Single stock certificates:***

Single stock certificates are certificates where the Reference Asset is an equity share. The Reference Asset in relation to a single stock certificate will be selected from a wide range of equity shares (including depositary receipts and Dutch certificates).

***Index certificates:***

Index certificates are certificates where the Reference Asset is an index. The Reference Asset in relation to an index certificate will be selected from a wide range of indices, including commodity indices.

***Government bond futures  
contract certificates:***

Government bond futures contract certificates are certificates where the Reference Asset is a futures contract related to a government bond. As the certificates do not have a fixed maturity, but futures contracts do, each futures contract will be rolled forward before its expiry to a futures contract with a later expiration. This means that the futures contract which is near expiry will be sold, and a futures contract with a later expiration will be bought. The price difference

between the two futures contracts is called the rollover spread.

The Reference Asset in relation to a government bond futures contract certificate will be selected from a wide range of government bond futures contracts.

***Commodity futures contract certificates:***

Commodity futures contract certificates are certificates where the Reference Asset is a futures contract related to a commodity. This means that the value of the certificates will be determined by reference to the value of the futures contract, which may be different from the spot price for delivery of the commodity. As the certificates do not have a fixed maturity, but futures contracts do, each futures contract will be rolled forward before its expiry to a futures contract with a later expiration. This means that the futures contract which is near expiry will be sold, and a futures contract with a later expiration will be bought. The price difference between the two futures contracts is called the rollover spread.

The Reference Asset in relation to a commodity futures contract certificate will be selected from a wide range of commodity futures contracts.

***Fund certificates:***

Fund certificates are certificates where the Reference Asset is a fund (which may be an exchange traded fund). The Reference Asset in relation to a fund certificate will be selected from a wide range of funds.

***Index futures contract certificates:***

Index futures contract certificates are certificates where the Reference Asset is a futures contract related to an index. As the certificates do not have a fixed maturity, but futures contracts do, each futures contract will be rolled forward before its expiry to a futures contract with a later expiration. This means that the futures contract which is near expiry will be sold, and a futures contract with a later expiration will be bought. The price difference between the two futures contracts is called the rollover spread.

The Reference Asset in relation to an index futures contract certificate will be selected from a wide range of index futures contracts.

**INDICATIVE ISSUE PRICE**

**Issue Price:**

The Securities will be issued at a price determined by the Issuer or the Dealer who may, in making such determination, refer to, amongst other factors, the value of the Reference Asset, the relevant certificate entitlement and any applicable foreign exchange rate(s).

**LISTING AND CLEARING**

**Listing and admission to trading:**

Application may be made to NYSE Euronext or any other stock exchange or market specified in the relevant Final Terms for the Securities to be admitted to trading and listed on Euronext Amsterdam N.V. by NYSE Euronext or any other stock exchange or market specified in the Final Terms up to the expiry of 12 months from the date of this Base Prospectus.

The Issuer may also issue unlisted Securities.

**Clearing:** Securities may be cleared through any of Euroclear S.A./N.V., Clearstream Banking, société anonyme, SIX SIS Ltd., Euroclear Finland, Euroclear Sweden and Euroclear Netherlands, as specified in the relevant Final Terms.

## **LAUNCHPAD PROGRAMME**

**General:** The LaunchPAD Programme includes this Base Prospectus and a number of additional base prospectuses pursuant to which the Issuer may issue securities in the form of certificates, warrants and notes, linked to many different types of underlying reference assets, and in a multitude of product types.

**Programme limit:** The aggregate nominal amount of securities that the Issuer may issue under the Programme may not exceed £20,000,000,000.

**Commissions, fees and rebates:** From time to time, the Issuer may make payments or receive the benefit of payments in relation to the issue of Securities, including the following:

- (a) The Issuer may pay to a distributor, sales agent or other intermediary fees or commissions. Such fees or commissions are generally required to be designed to enhance the quality of the service provided by the distributors, sales agents or intermediaries to their clients, not conflict with the duty of the distributors, sales agents or intermediaries to act in the best interests of their clients and be disclosed to their clients. Each potential investor in the Securities should satisfy itself as to the amount of any fees or commissions received by intermediaries;
- (b) The Issuer may receive or pay management or other fees from or to third parties. Where such fees are payable, further details of them will be set out in the relevant Final Terms; and
- (c) The Issuer may make payments to or receive the benefit of generic commission, discount and rebate arrangements from hedge providers and other transaction counterparties. Such arrangements will be as agreed between the Issuer and the third parties.

The Issuer will only pay or receive the benefits outlined above where doing so does not conflict with its duty to comply with applicable law and regulation. The Issuer reserves the right to retain any amounts received without any obligation to pass the benefit of the rebates to investors in the Securities.

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TERMS AND CONDITIONS

GENERAL TERMS

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*The terms and conditions of the Securities comprise (a) these General Terms, (b) the applicable Additional Terms (if any), (c) the applicable Asset Terms and (d) the applicable Payout Terms, as completed by the issue specific details relating to the Securities as set out in the relevant Final Terms (together, the "Terms and Conditions"). The relevant Final Terms will be attached to any Global Security representing the Securities and will be printed on any Definitive Securities representing the Securities.*

*With regard to the General Terms, prospective investors should note that where the applicable Clearing Agent for the Securities is specified in the relevant Final Terms to be SIX SIS Ltd, Euroclear Finland or Euroclear Sweden, then some of these General Terms will be amended, supplemented or replaced by the applicable Additional Terms.*

**1. Interpretation**

- (a) Applicable terms. The General Terms shall apply to all Securities, and each Series of Securities will be the subject of a specific Final Terms completed for such Series (in respect of such Series of Securities, the "**relevant Final Terms**"). The relevant Final Terms for a Series of Securities will specify the particular Additional Terms (if any) (the "**applicable Additional Terms**"), the particular Asset Terms (the "**applicable Asset Terms**"), the particular Payout Terms (the "**applicable Payout Terms**") and the issue specific details which shall apply to such Securities.
- (b) Priority. In the event of any inconsistency between any of the General Terms, the applicable Additional Terms (if any), the applicable Asset Terms, the applicable Payout Terms and the relevant Final Terms, the prevailing term will be determined in accordance with the following order of priority (where (i) prevails over the other terms):
  - (i) the relevant Final Terms;
  - (ii) the applicable Payout Terms;
  - (iii) the applicable Asset Terms;
  - (iv) the applicable Additional Terms (if any); and
  - (v) the General Terms,provided that any term preceded with the phrase "notwithstanding anything else in these Terms and Conditions" (or a phrase of similar import) shall prevail over any inconsistent term in any other part of the Terms and Conditions.
- (c) Capitalised terms. Capitalised terms used in these General Terms have the meanings given in General Term 19 (*Definitions*). Capitalised terms which are not defined in these General Terms shall have the meanings given to them in any applicable Additional Terms, the applicable Asset Terms, the applicable Payout Terms, or the relevant Final Terms. Capitalised terms which are defined in two or more of these General Terms, any applicable Additional Terms, the applicable Asset Terms, the applicable Payout Terms or the relevant Final Terms shall have the meaning set forth in the relevant terms as determined under General Term 1(b) (*Priority*) above.

## 2. Form, Title and Transfer

- (a) Global Form. Except in the case of Securities issued in the form described in General Term 2(b) (*Dematerialised Form*), the Securities will be issued in bearer form and represented by a global security (the "**Global Security**") which will be deposited with a Clearing Agent or the depositary for one or more Clearing Agents and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of fraud or manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term "**Holder**" shall be construed accordingly) for all purposes, other than with respect to any payment obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

Each permanent Global Security will be exchangeable, in whole but not in part, at the request of the Holder, for definitive Securities in bearer form ("**Definitive Securities**"):

- (i) if such permanent Global Security is held by a Clearing Agent and any such Clearing Agent is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently or does in fact do so and the Holder is unable to settle such Securities through any non-affected Clearing Agent; or
- (ii) if so specified in the relevant Final Terms, in an aggregate nominal amount or unit quantity equal to the nominal amount or unit quantity of such permanent Global Security submitted for exchange by the Holder,

provided that in each case, certification as to non-U.S. beneficial ownership in the form required by the relevant Clearing Agent has been provided to such Clearing Agent with respect to such nominal amount or unit quantity submitted for such exchange.

- (b) Dematerialised Form. Certain Securities will be issued in dematerialised form ("**Dematerialised Securities**") and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the applicable Clearing Agent Rules. Accordingly, in these Terms and Conditions, the term "**Holder**" means, in relation to Dematerialised Securities, a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the applicable Clearing Agent Rules and subject as provided in any applicable Additional Terms.
- (c) Compulsory Transfer, Forced Sale or Termination.
- (i) U.S. persons and Taxation – FATCA. No Securities, or interests therein, may at any time be (A) offered, sold, transferred, exercised or delivered in the United States or to, or for the account or benefit of, any U.S. person or (B) held by any person that fails to comply with certain requirements under FATCA. If the Issuer (I) determines at any time that any Security is legally or beneficially owned by any U.S. person or (II) is required under FATCA to close out any Holder (other than a foreign financial institution (an "**FFI**") (as defined in FATCA)) that does not comply with requests for identifying information under FATCA, the Issuer (acting in good faith and in a commercially reasonable manner) may direct the Holder to sell or transfer such Security(ies) to a person, who is not a U.S. person and who will comply with FATCA information

requests, within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer such Security(ies) within such period, the Issuer (acting in good faith and in a commercially reasonable manner) may at its discretion (x) cause such Security(ies) to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is not a U.S. person, on terms as the Issuer may choose (acting in good faith and in a commercially reasonable manner) and, pending such transfer, no further payments will be made in respect of such Security(ies) to such Holder or (y) give notice to the Holder that each such Security will be terminated by the Issuer at the Unscheduled Early Termination Amount. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Term 15 (*Notices*).

In the event of a sale in accordance with sub-clause (x) above, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer (acting in good faith and in a commercially reasonable manner), and the Issuer shall not be liable to any person having an interest in the Security sold as a result of any sale or the exercise of discretion under this provision.

- (ii) **ERISA Violations.** If the Issuer determines at any time that any Holder of a Security has made or been deemed to have made a representation related to the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") (as set forth in the section entitled "Certain ERISA Considerations" in the Base Prospectus in respect of the Securities), that is false or misleading (a "**Non-Permitted ERISA Holder**"), the Issuer (acting in good faith and in a commercially reasonable manner) may direct the Holder to sell or transfer its Security(ies) to a person who is not a Non-Permitted ERISA Holder within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer its Security(ies) within such period, the Issuer (acting in good faith and in a commercially reasonable manner) may at its discretion (A) cause the Security to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is not a Non-Permitted ERISA Holder, on terms as the Issuer may choose (acting in good faith and in a commercially reasonable manner) and, pending such transfer, no further payments will be made in respect of the Security(ies) to such Non-Permitted ERISA Holder or (B) give notice to the Non-Permitted ERISA Holder that the Security will be terminated by the Issuer at the Unscheduled Early Termination Amount. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Term 15 (*Notices*).

In the event of a sale in accordance with sub-clause (A) above, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Non-Permitted ERISA Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer (acting in good faith and in a commercially reasonable manner), and the Issuer shall not be liable to any person having an interest in the Security sold as a result of any sale or the exercise of such discretion.

Furthermore, the Issuer shall not honour a transfer of beneficial interests in any Security to any person who is a Non-Permitted ERISA Holder.



### 3. Status of Securities

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

### 4. Rights and Procedures

- (a) **Cash Settlement.** Each Security, upon due exercise, termination of the Securities upon the occurrence of a mandatory early termination event or pursuant to an Issuer call option, as the case may be, subject to and in accordance with the applicable Payout Terms, and subject to the delivery by the Holder of a duly completed Notice, and to certification as to non-U.S. beneficial ownership and (where the Securities are represented by Definitive Securities) against presentation of the Definitive Securities, entitles its Holder to receive from the Issuer the Cash Amount (which may be zero) to be paid to the account specified in the relevant Notice for value on the Settlement Date.
- (b) **Mandatory Early Termination.** The applicable Payout Terms may provide for the termination of the Securities upon the occurrence of one or more mandatory early termination events.
- (c) **Issuer Call.** The applicable Payout Terms may provide for the termination of the Securities by the Issuer in its discretion pursuant to an Issuer call option.
- (d) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a "**Notice**") to the relevant Clearing Agent with a copy to the Relevant Agent, with a copy to the Issuer. The form of the Notice may be obtained during normal business hours from the specified office of each Agent or the Registrar, as applicable.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) attach the specified number of the Securities (if the Securities are Definitive Securities) or specify the number of the account with the Clearing Agent (if the Securities are Global Securities) to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (which may be zero) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, "**U.S. person**" means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is

exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (G) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (e) Verification of Holder. In respect of each Notice, the relevant Holder must provide evidence to the Principal Agent or, where the SIX SIS Ltd is specified as the Clearing Agent, the Swiss Agent, in each case reasonably satisfactory to the Principal Agent or the Swiss Agent, as applicable, of its holding of such Securities.
- (f) Delivery irrevocable. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Relevant Agent. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (g) Determinations. Failure to properly complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Relevant Agent, and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Relevant Agent immediately after being delivered to a Clearing Agent, in each case as provided in the Terms and Conditions, shall be void.

If such Notice is subsequently corrected to the satisfaction of the Relevant Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Relevant Agent at the time such correction is delivered to the Relevant Agent, as provided in the Terms and Conditions.

The Relevant Agent shall use its commercially reasonable efforts to notify the relevant Holder as soon as reasonably practicable if it has determined that a Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Relevant Agent, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

Any Notice received by the relevant Clearing Agent or the Relevant Agent after the specified time shall be deemed to be duly delivered on the next following Business Day. In the case of Securities which are exercisable on one day only or during an exercise period, any Notice, if not delivered by the specified time, shall be void.

- (h) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and none of the Issuer or any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (i) Rounding. Subject to any applicable Clearing System Rules, any amounts payable by the Issuer hereunder shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards, or where the amount is Japanese Yen, rounded to the nearest whole Japanese Yen with one half of a Japanese Yen rounded upwards.

- (j) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent nor any Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable hereunder.

## 5. Payments

- (a) Bearer Securities. Each Security in bearer form shall be presented for redemption and surrender of it at the specified office of the Principal Agent or of any other Agent provided for in the Terms and Conditions, prior to payment of any principal amount under the Securities. This General Term 5(a) (*Bearer Securities*) will not apply to Dematerialised Securities.
- (b) Dematerialised Securities. Payments in respect of Dematerialised Securities will be made subject to and in accordance with the applicable Clearing Agent Rules.
- (c) Method of Payment. Subject as provided below, where any amount to be paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Other than in respect of Definitive Securities, payments will be made via the Clearing Agent(s) and will be made in accordance with applicable Clearing Agent Rules. All payments will be subject to applicable fiscal and legal requirements.
- (d) Not U.S. persons. For the purposes of any payment on a Security, the Clearing Agents may not be United States persons, as defined for United States Federal income tax purposes, and their respective specified offices may not be located in the United States or any of its possessions. No payment on a Security shall be made by transfer to an account in the United States (including its possessions) or by cheque mailed to an address in the United States (including its possessions).
- (e) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The holder of a Global Security (which will be a common depositary on behalf of the relevant Clearing Agent) or the relevant Clearing Agent (in the case of Dematerialised Securities) shall be the only person entitled to receive any amounts paid in connection with the Securities, and the Issuer's payment obligations under the Securities will be discharged upon its payment to, or to the order of, such person in respect of the amount so paid.  
  
*Each person shown in the records of the relevant Clearing Agent as the beneficial holder of Securities must look solely to the holder of the Global Security (in the case of Securities represented by a Global Security) or the relevant Clearing Agent (in the case of Dematerialised Securities) for its share of any such payment made by the Issuer to such holder of the Global Security or the relevant Clearing Agent, as applicable.*
- (f) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

## 6. Replacement of Securities and Cancellation

If, in respect of any Security represented by a Global Security in bearer form or a Definitive Security, such Security is lost, stolen, mutilated, defaced or destroyed it may be replaced at the

specified office of the Principal Agent (or such other place of which notice shall have be given to Holders in accordance with General Term 15 (*Notices*)) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities must be surrendered before replacements will be issued. This General Term 6 (*Replacement of Securities and Cancellation*) will not apply to Dematerialised Securities.

## 7. Events of Default

Subject to General Term 8(d) (*Force Majeure*), if any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (a) default is made for more than 10 calendar days in the payment of interest or principal in respect of the Securities; or
- (b) the Issuer fails to perform or observe any of its other material obligations under the Securities and such failure has continued for the period of 60 days immediately following the service on the Issuer of notice requiring the same to be remedied; or
- (c) an order is made or an effective resolution is passed for the winding-up of the Issuer (excluding a solvent winding-up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation in connection with which RBSG or any of its subsidiaries assumes the obligations of the Issuer as principal debtor in respect of the Securities),

then any Holder may, by written notice to the Issuer at the specified office of the Principal Agent, effective upon the date of receipt thereof by the Principal Agent, declare any Security held by such Holder to be immediately due and payable whereupon the same shall become immediately due and payable at the Unscheduled Early Termination Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, unless such Event of Default has been cured by the Issuer or waived by the Holders prior to the receipt of such notice by the Issuer. For the avoidance of doubt, an Event of Default shall not occur in respect of the failure of any payment of any amount owing by the Issuer under the Securities to be made by or through the relevant Clearing Agent to any person shown in the records of such Clearing Agent as the beneficial holder of Securities in the circumstance where the Issuer has paid such amount to the holder of the Global Security (in the case where the Securities are represented by a Global Security) or to the relevant Clearing Agent (in the case where the Securities are Dematerialised Securities).

## 8. Early Termination for Illegality or Tax or Illiquidity and Force Majeure

- (a) **Illegality.** The Issuer shall have the right to terminate the Securities if it shall have determined, acting in good faith and in a commercially reasonable manner, that its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**"). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder the Unscheduled Early Termination Amount, which payment will constitute full and final settlement of all its payment obligations under the Securities. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Term 15 (*Notices*).
- (b) **Tax.** The Issuer shall have the right to terminate the Securities if it shall have determined, acting in good faith and in a commercially reasonable manner, that (i) payments made on the Securities are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity and that these payments have or will become subject to U.S. withholding tax or (ii) following a change in any Applicable Law, or in the interpretation thereof, the

performance of its obligations under the Securities (A) has resulted in or (B) will result in, the Issuer or any affiliate not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to such Securities, in each case where any such amounts are material to the Issuer. In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder the Unscheduled Early Termination Amount, which payment will constitute full and final settlement of all its payment obligations under the Securities. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Term 15 (*Notices*).

- (c) Illiquidity. Unless the relevant Final Terms specifies that "Early termination for illiquidity" is not applicable, the Issuer shall have the right (but not the obligation) in its discretion to terminate all (but not some only) of a Series of Securities if it shall have determined at any time, acting in good faith and in a commercially reasonable manner, that:
  - (i) the aggregate nominal amount outstanding with respect to the Series of Securities is less than EUR 500,000 or its equivalent in another currency;
  - (ii) the percentage of the aggregate nominal amount outstanding with respect to the Series of Securities is less than five per cent. of the originally issued aggregate nominal amount; or
  - (iii) the number of Securities of the Series outstanding is less than 1,000.

In such circumstances the Issuer will pay to each Holder in respect of each Security held by such Holder the Unscheduled Early Termination Amount, which payment will constitute full and final settlement of all its payment obligations under the Securities. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Term 15 (*Notices*).

- (d) Force Majeure. The Issuer shall be deemed to be not in breach of any of its obligations under the Securities or otherwise liable to a Holder for any delay in performance, or any non-performance, of any of its obligations (including as regards any payments, as the case may be, due) under the Securities where and for so long as the delay or non-performance is, in the determination of the Issuer (acting in good faith and in a commercially reasonable manner) arising out of or due to the occurrence of a Force Majeure Event, provided that:
  - (i) the Issuer could not have avoided the effect of the Force Majeure Event by taking precautions which, having regard to all matters known to it before the occurrence of the Force Majeure Event and relevant factors, it ought reasonably to have taken but did not take; and
  - (ii) the Issuer has used reasonable endeavours to mitigate the effect of the Force Majeure Event and to carry out its obligations under the Securities in any other way that is practicable (excluding any endeavours which would result in a material loss or expense to the Issuer).

The Issuer shall notify Holders of the nature and extent of the circumstances giving rise to the Force Majeure Event in accordance with General Term 15 (*Notices*).

If the relevant Force Majeure Event prevails for a continuous period in excess of three months after the date on which it began, then any Holder may, by written notice to the Issuer at the specified office of the Principal Agent, effective upon the date of receipt thereof by the Principal Agent, declare any Security held by such Holder to be immediately due and payable whereupon the same shall become immediately due and payable at the Unscheduled Early Termination Amount without presentment, demand, protest or other notice of any kind.

## 9. Payment Disruption

If, in respect of any Series of Securities, "Payment Disruption" is specified as applicable in the relevant Final Terms, then this General Term 9 (*Payment Disruption*) shall apply to such Series of Securities.

- (a) Occurrence of a Payment Disruption Event. In the event that the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Payment Disruption Event (as defined below) has occurred in relation to any payment due (or shortly to be due) under the Securities (the "**Relevant Payment**") the Issuer shall as soon as reasonably practicable notify the Holders of the relevant Securities of such determination in accordance with General Term 15 (*Notices*).
- (b) Consequences of a Payment Disruption Event. Upon the occurrence of a Payment Disruption Event the relevant payment date (and the Issuer's obligation to make the Relevant Payment) shall be postponed to a date falling on the earlier of:
  - (i) the date falling as soon as reasonably practicable after the date on which the Issuer (acting in good faith and in a commercially reasonable manner) has determined that the Payment Disruption Event is no longer continuing; and
  - (ii) the date falling 180 calendar days after the date on which the notice of the Payment Disruption Event was given by the Issuer under General Term 15 (*Notices*) (the "**Cut-Off Date**").
- (c) Any payments shall be net of expenses and no interest shall accrue. Notwithstanding anything else:
  - (i) any payments made in accordance with this General Term 9 (*Payment Disruption*) shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by or on behalf of the Issuer (as determined by the Issuer, acting in good faith and in a commercially reasonable manner) in connection with or arising from the resolution of the relevant Payment Disruption Event(s); and
  - (ii) no interest shall be payable by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Securities as a result of the operation of this General Term 9 (*Payment Disruption*).
- (d) Payment in alternate currency on the Cut-Off Date. In the event that a Payment Disruption Event is still occurring on the Cut-Off Date and (pursuant to General Term 9(b)(ii) above) the relevant payment date for payment of the Relevant Payment is postponed to the Cut-Off Date, then the Issuer may satisfy its obligation to pay the Relevant Payment by making a payment of an equivalent amount in another currency (at a relevant rate of exchange as determined by the Issuer acting in good faith and in a commercially reasonable manner).
- (e) Meaning of Payment Disruption Event. A "**Payment Disruption Event**" shall have occurred in relation to a Relevant Payment where, in the determination of the Issuer (acting in good faith and in a commercially reasonable manner) the Settlement Currency is not (or is not expected to be) available to the Issuer for the making of the Relevant Payment on the relevant payment date. Circumstances where a Payment Disruption Event shall have occurred may include (without limitation) (i) the imposition (or announcement of the impending imposition) of exchange controls in the jurisdiction of the Settlement Currency, (ii) the Settlement Currency no longer being used by the government of the country (or countries of the currency block) issuing that currency or by public institutions within the international banking community for the settlement of transactions, or (iii) any other event beyond the control of the Issuer which could make it impracticable or impossible for the Issuer to obtain the Settlement Currency in order to make the Relevant Payment under the Securities.

- (f) European Monetary Union. This General Term 9 (*Payment Disruption*) shall be without prejudice to the Issuer's ability to make elections under General Term 13 (*Adjustments for European Monetary Union*).

## 10. Taxation

All payments in respect of the Securities will be subject in all cases to all applicable fiscal and other laws or agreements with any governmental authority and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay any tax, duty, charge, withholding or other similar payment (including any taxes due in relation to a financial transactions tax) in connection with the ownership of and/or any transfer or payment in respect of the Securities held by such Holder. The Issuer shall have the right to withhold or deduct from any amount payable, such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. For the avoidance of doubt, unless required by Applicable Law, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, charge, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security, the relevant Holder shall be responsible for all Expenses.

## 11. Agents

- (a) Principal Agent and Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the "**Principal Agent**") shall become effective until a replacement Principal Agent shall have been appointed and provided that if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Term 15 (*Notices*). Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) Calculation Agent. The Issuer, or such other Calculation Agent as specified in the relevant Final Terms, shall undertake the duties of calculation agent (the "**Calculation Agent**" which expression shall include any successor calculation agent or assignee as approved by the Issuer) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Term 15 (*Notices*).

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Any calculations or determinations in respect of the Securities made by the Calculation Agent (whether or not the Issuer) shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

The Calculation Agent may, with the consent of the Issuer (if it is not the Issuer), delegate any of its obligations and functions to a third party as it deems appropriate.

## 12. Determinations and Modifications

- (a) Determinations. Except where otherwise specified, in making any determinations and calculations under these Terms and Conditions, the Issuer and the Calculation Agent shall act at all times in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether the fair treatment of Holders is achieved by any such determination in accordance with its regulatory obligations. All such determinations and calculations by the Issuer and the Calculation Agent shall, in the absence of manifest error, be final and binding.
- (b) Whilst it is intended that the Issuer and the Calculation Agent will follow the Terms and Conditions (including the payout mechanics) to make determinations in respect of the Securities, no assurance can be given that market, regulatory, judicial or fiscal circumstances or, without limitation, any other circumstances will not arise that would necessitate a modification to the Terms and Conditions in order that the Securities replicate as closely as possible investments in the Reference Asset(s) underlying the Securities and its components in line with the investment objectives of the Securities. The Issuer may, without the consent of the Holders or any of them, make any such modification to the Terms and Conditions that it considers necessary (acting in good faith and in a commercially reasonable manner) to reflect such circumstances. Notice of any such modification will be given to the Holders in accordance with General Term 15 (*Notices*) but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.
- (c) Modifications. The Issuer may, without the consent of the Holders or any of them, modify any provision of the Terms and Conditions if the modification is: (i) of a formal, minor or technical nature; (ii) made to correct a manifest error, proven error or defective provision, as determined by the Issuer; or (iii) in its sole and absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Term 15 (*Notices*) but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 13. Adjustments for European Monetary Union

- (a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Term 15 (*Notices*) elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:
  - (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro; and
  - (ii) where the Terms and Conditions contain a rate of exchange or any of the Terms and Conditions are expressed in a National Currency Unit (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Terms and Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or (as the case may be) into, euro at the Established Rate; and



- (iii) such other changes shall be made to the Terms and Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (b) Adjustment to Terms and Conditions. The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Term 15 (*Notices*) make such adjustments to the Terms and Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Terms and Conditions.
- (c) Euro Conversion Costs. Notwithstanding General Term 13(a) (*Redenomination*) and/or General Term 13(b) (*Adjustment to Terms and Conditions*), none of the Issuer, the Calculation Agent or any Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

#### 14. Purchases, Further Issues by the Issuer and Prescription

- (a) Purchases. The Issuer or any affiliate may purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, surrendered for cancellation or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original series of Securities.
- (b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Holders or any of them to create and issue further securities having the same terms and conditions as the Securities and so as to be consolidated with and form a single series with such Securities.
- (c) Prescription. Any Security represented by a Global Security in bearer form or a Definitive Security which is capable of presentation and is not so presented by its due date for presentation shall be void, and its value reduced to zero, if not so presented within five years of such due date. For the avoidance of doubt, any Securities which are subject to provisions relating to their exercise shall be void, and their value shall be zero, if not exercised in accordance with their provisions.

#### 15. Notices

- (a) Global Securities in bearer form. Notices to Holders shall be given by the delivery of the relevant notice to the Clearing Agent(s) with an instruction from the Issuer to the Clearing Agent(s) to communicate such notice to the Holders.
- (b) Definitive Securities. Notices to Holders shall be given by the publication in one or more leading newspapers of general circulation as the Issuer or Calculation Agent may determine.
- (c) Dematerialised Securities. Notices to Holders of Dematerialised Securities shall be made subject to and in accordance with the applicable Clearing Agent Rules.
- (d) Listed Securities. The Issuer shall also ensure that notices are duly published, to the extent required, in a manner which complies (i) with the rules of any stock exchange or other relevant exchange on which the Securities are for the time being listed or in the country in which such Securities have been admitted to trading and (ii) with any relevant legislation.
- (e) Securities listed on the SIX Swiss Exchange Ltd. In respect of Securities listed on the SIX Swiss Exchange Ltd (in addition to the other terms of this General Term 15 (*Notices*)), the Issuer shall have the right but (without prejudice to General Term 15(d) (*Listed Securities*)) shall not be obliged to publish notices in electronic form on the internet website of the SIX Swiss Exchange Ltd (currently [http://www.six-exchangeregulation.com/publications/communiqués/official\\_notices\\_en.html](http://www.six-exchangeregulation.com/publications/communiqués/official_notices_en.html)), but

which may change from time to time) if and so long as the Securities are listed on the SIX Swiss Exchange Ltd.

- (f) Timing of notices having been given. Any notice issued pursuant to this General Term 15 (*Notices*) by being delivered to the Clearing Agent(s) (or as required by the Clearing Agent under the Clearing Agent Rules) or the Registrar (as applicable) for communication to the Holders (as applicable) will be deemed to have been given on the date of the delivery of such notice to the Clearing Agent(s) or the Registrar (as applicable). Any notice issued pursuant to this General Term 15 (*Notices*) by being published in a newspaper or on a web-site will be deemed to have been given on the date of the first publication (for the avoidance of doubt, such notice having been published by any valid means) or, where required to be published in more than one newspaper or web-site or by delivery to one or more Clearing Agents or to the Registrar, on the first to occur of the date of the first publication or the first delivery.

#### 16. Substitution

- (a) Substitution of Issuer. The Issuer may at any time without the consent of the Holders substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities:
  - (i) any entity (A) which acquires all or substantially all of the undertaking and/or assets of the Issuer, (B) which acquires the beneficial ownership of the whole of the issued voting stock and/or share capital of the Issuer or (C) into which the Issuer is amalgamated, merged or reconstructed and where the Issuer is not the continuing company (such entity, a "**Successor in Business**" or the "**Substitute**"); or
  - (ii) the holding company of the Issuer (the holding company currently being The Royal Bank of Scotland Group plc, company number SC045551 ("**RBSG**")) (the "**Holding Company**" or the "**Substitute**"); or
  - (iii) any entity other than a Successor in Business or the Holding Company (also, the "**Substitute**"), subject to the Issuer having issued a legal, valid and binding guarantee of the obligations and liabilities of the Substitute under the Securities for the benefit of each of the Holders,

in each case, subject to (A) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with General Term 15 (*Notices*) and (B) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect.

In the event of any substitution of the Issuer, any reference in the Terms and Conditions to the Issuer shall from such time be construed as a reference to the Substitute.

- (b) Substitution of Office. The Issuer shall have the right upon giving notice to the Holders in accordance with General Term 15 (*Notices*) to change the office through which it is acting and shall specify the date of such change in such notice.

#### 17. Governing Law and Jurisdiction

- (a) Governing law. The Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by English law.
- (b) Jurisdiction. The courts of England have exclusive jurisdiction to settle any dispute (including any dispute relating to any non-contractual obligations) (a "**Dispute**") arising from or in connection with the Securities. This General Term 17(b)

(*Jurisdiction*) is for the benefit of the Holders only. As a result, nothing prevents any Holder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions. The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

#### 18. **Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the English Contracts (Rights of Third Parties) Act 1999 to enforce any of the Terms and Conditions. The preceding sentence shall not affect any right or remedy of any person which exists or is available apart from that Act.

#### 19. **Definitions**

In these General Terms, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Holders pursuant to General Term 13 (*Adjustments for European Monetary Union*) which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Agent**" means each of the Principal Agent and Agent(s), each as specified in the relevant Final Terms, and/or the Swiss Agent, each acting through its specified office and together, the "**Agents**" which expression shall include any other Agent appointed pursuant to the provisions of General Term 11 (*Agents*);

"**Applicable Law**" has the meaning given in General Term 8(a) (*Illegality*);

"**Asset Terms**" means the Commodity and Commodity Futures Contract Linked Terms, the Currency Linked Terms, the Equity Linked Terms, the Fund Linked Terms, the Government Bond Futures Contract Linked Terms, the Index Linked Terms or the Index Futures Contract Linked Terms, as applicable;

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign exchange currency deposits) in London and in each Additional Business Centre specified in the relevant Final Terms;

"**Calculation Agent**" has the meaning given in General Term 11(b) (*Calculation Agent*);

"**Cash Amount**" has the meaning given in the applicable Payout Terms;

"**Clearing Agent**" means each clearing agent and clearance system specified as such in the relevant Final Terms (and together, the "**Clearing Agents**");

"**Clearing Agent Rules**" has the meaning given in the Additional Terms;

"**Cut-Off Date**" has the meaning given in General Term 9(b)(ii);

"**Definitive Securities**" has the meaning given in General Term 2(a) (*Global Form*);

**"Dematerialised Securities"** has the meaning given in General Term 2(b) (*Dematerialised Form*);

**"Dispute"** has the meaning given in General Term 17(b) (*Jurisdiction*);

**"Established Rate"** means the rate for the conversion of the Original Currency or, as the case may be, the Settlement Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

**"euro"** means the lawful currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European treaty law (as amended from time to time);

**"Exchange Date"** means, in relation to a permanent Global Security in bearer form, the first day following the giving of notice requiring exchange and on a day on which banks are open for business in the city in which the specified office of the Principal Agent is located and in the city in which the relevant Clearing Agent is located;

**"Exercise"** has the meaning given in the applicable Payout Terms;

**"Expenses"** means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties (including any taxes due in relation to a financial transactions tax), arising in connection with (a) the exercise of such Security and/or (b) any payment due following exercise or otherwise in respect of such Security;

**"FATCA"** means Sections 1471-1474 of the U.S. Internal Revenue Code and any regulations or administrative guidance thereunder, any intergovernmental agreements between the United States and another country in furtherance of such Sections of the U.S. Internal Revenue Code and any related analogous provisions of non-U.S. laws or administrative guidance, or any agreement with a taxing authority in respect of any of the foregoing;

**"FFI"** means a "foreign financial institution" as defined under FATCA;

**"Final Terms"** means the document containing the issue specific terms relating to the Securities;

**"Force Majeure Event"** means any event due to any cause (including an act of God, fire, epidemic, explosion, flood, earthquake, typhoon; riot, civil commotion or unrest, insurrection, terrorism, sabotage, war; strike, lockout or industrial action of any kind; nationalisation, expropriation or other related governmental actions; any law, order or regulation of a governmental, supranational or regulatory body (whether lawful or unlawful), including any requisition or involuntary transfer; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations, fluctuations, or restrictions on convertibility or transferability; market conditions affecting the execution or settlement of transactions or the value of assets; any securities exchange or other data source ceasing to provide data to the Issuer necessary for the creation, compilation, composition, maintenance, calculation and publication of the Securities, or materially restricting the Issuer's right to redistribute data received from such securities exchange or data source; and unavailability, breakdown, failure or malfunction of any telecommunications or other communications, computer services or systems, or other cause) beyond the reasonable control of the Issuer which restricts, prevents, prohibits or renders impossible or impracticable the performance of the obligations of the Issuer contemplated by the Securities;

**"Global Security"** has the meaning given in General Term 2(a) (*Global Form*);

**"Hedge Position"** means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives, partnership interests, fund interests, foreign exchange or other Reference Asset(s) to which the Securities relate, (b)

securities lending transactions or (c) other instruments or arrangements (however described) by the Issuer in order to hedge the Issuer's risk of issuing, and performing its obligations (individually or on a portfolio basis) with respect to, the Securities;

**"Holder"** has the meaning given in General Term 2 (*Form, Title and Transfer*);

**"Holding Company"** has the meaning given in General Term 16(a)(ii);

**"Issue Date"** means the date specified as such in the relevant Final Terms;

**"Issue Price"** means the amount specified as such in the relevant Final Terms;

**"Issuer"** means The Royal Bank of Scotland plc (**"RBS plc"**);

**"Issuing and Paying Agent"** means the entity specified as such in the relevant Final Terms;

**"National Currency Unit"** means the unit of the currency of a country as those units are defined on the day before the country first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**"Offer Period"** means the period specified as such in the relevant Final Terms;

**"Original Currency"** has the meaning given in General Term 13(a)(ii);

**"Paying Agent"** means, unless otherwise specified in the relevant Final Terms, the Issuer acting in such capacity;

**"Payment Day"** means any day (other than a Saturday or Sunday) on which:

- (a) commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre of the country of the Settlement Currency or, if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET2) System (or any successor thereto) is open;
- (b) each Clearing Agent is open for business; and
- (c) commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign exchange currency deposits) in each Additional Financial Centre so specified in the relevant Final Terms;

**"Payment Disruption Event"** has the meaning given in General Term 9(e) (*Meaning of Payment Disruption Event*);

**"Payout Terms"** means the General Turbo Payout Terms, the Constant Leverage Turbo Payout Terms or the Booster Turbo Payout Terms, as applicable;

**"Principal Agent"** has the meaning given in General Term 11(a) (*Principal Agent and Agents*);

**"Proceedings"** has the meaning given in General Term 17(b) (*Jurisdiction*);

**"RBSG"** has the meaning given in General Term 16(a)(ii);

**"Relevant Agent"** means the Principal Agent, provided that where the Clearing Agent is (a) SIX SIS Ltd, **"Relevant Agent"** means the Swiss Agent, or (b) Euroclear Finland or Euroclear Sweden, **"Relevant Agent"** means the Issuing and Paying Agent;

**"Relevant Payment"** has the meaning given in General Term 9(a) (*Occurrence of Payment Disruption Event*);

**"Securities"** means each Series of securities, and each such security, a **"Security"**. References to the terms **"Securities"** and **"Security"** shall be construed severally with respect to each Series;

**"Series"** means each series of Securities set out in the relevant Final Terms;

**"Settlement Currency"** means the currency specified as such in the relevant Final Terms;

**"Settlement Date"** has the meaning given in the applicable Payout Terms;

**"Substitute"** has the meaning given in General Term 16(a) (*Substitution of Issuer*);

**"Successor in Business"** has the meaning given in General Term 16(a)(i);

**"Swiss Agent"** means, unless otherwise specified in the relevant Final Terms, The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland, acting through its specified office, and any successor agent appointed by the Issuer;

**"Treaty"** means the treaty establishing the European Community, as amended;

**"Unscheduled Early Termination Amount"** means an amount equal to the fair market value of the Security (as determined by the Calculation Agent acting in a commercially reasonable manner) as at a day and time prior to early termination as selected by the Calculation Agent in its sole and absolute discretion (or immediately prior to the Event of Default in relation to early termination under General Term 7 (*Events of Default*)), and provided that:

- (a) the calculation shall take no account of (i) (in the case of early termination pursuant to General Term 8(a) (*Illegality*) only), the event which resulted in such early termination and (ii) (in the case of early termination pursuant to General Term 7 (*Events of Default*) only) the financial position of the Issuer immediately prior to the Event of Default, which for such purpose shall be presumed to be able to fully perform its obligations under the Securities;
- (b) unless "Deduction for Hedge Costs" is specified to be not applicable in the relevant Final Terms, the cost to the Issuer of unwinding any related Hedge Positions (as determined by the Calculation Agent acting in a commercially reasonable manner) shall be deducted; and
- (c) notwithstanding anything else, where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date, or a minimum assured return of interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, howsoever expressed, on a relevant interest payment date (if applicable), the Unscheduled Early Termination Amount shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent; and

**"U.S. person"** has the meaning given in General Term 4(d)(v).

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**ADDITIONAL TERMS**

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*The following provisions shall, if applicable, supplement and (to the extent required) amend the General Terms.*

**1. Securities under which SIX SIS Ltd is Clearing Agent**

If the relevant Final Terms specify that the Clearing Agent of the Securities is SIX SIS Ltd as Clearing Agent, then the General Terms are supplemented and (to the extent required) amended as follows:

- (a) Form. Securities will, as specified in the relevant Final Terms, be issued in the form of Dematerialised Securities and will be transformed into intermediated securities (the **"Intermediated Securities"**) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the **"FISA"**). The Intermediated Securities will be created by (i) registration of Dematerialised Securities in the main register of the Clearing Agent, acting as custodian as defined in article 4 of FISA (the **"Custodian"**), and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 of FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 of FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.
- (b) Title. Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (together, in relation to Securities the Clearing Agent of which is SIX SIS Ltd, the applicable **"Clearing Agent Rules"**). Accordingly, in these Terms and Conditions, the term "Holder" means any person recognised as a holder of the Intermediated Securities pursuant to the Clearing Rules.
- (c) No retransformation or conversion: The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities or (ii) the conversion of the Dematerialised Securities into Definitive Securities.
- (d) Address. The address of SIX SIS Ltd is Baslerstrasse 100, Olten, 4600, Switzerland, subject as may change from time to time.

**2. Securities clearing via Euroclear Finland**

If the relevant Final Terms specify that the Clearing Agent is Euroclear Finland Oy (**"Euroclear Finland"**), the following amendments shall be deemed to be made to the General Terms and, notwithstanding any provisions to the contrary in the Terms and Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Clearing Agent Rules (as defined below), in the sole opinion of Euroclear Finland:

- (a) Clearing Agent Rules. The applicable **"Clearing Agent Rules"** means the legislation (including the Finnish Act on the Book-Entry System and Clearing Operations 749/2012 and the Finnish Act on the Book-Entry Accounts 827/1991), rules and regulations applicable to and/or issued by Euroclear Finland that are in force and effect from time to time;

- (b) Form. The Securities will be issued, cleared and settled in dematerialised and uncertified book-entry form in accordance with the Clearing Agent Rules. No physical global Security will be issued in respect of the Securities;
- (c) Title. Title to the Securities will pass by transfer between accountholders at Euroclear Finland perfected in accordance with the Clearing Agent Rules. The "**Holder**" means a person in whose name a Security is registered in a Euroclear Finland account in the book entry settlement system of Euroclear Finland or any other person recognised as a holder of Securities pursuant to the Clearing Agent Rules and accordingly, where Securities are held through a registered nominee, the nominee shall be deemed to be the Holder;
- (d) Issuer may inspect register. The Issuer and the Issuing and Paying Agent shall be entitled to obtain from Euroclear Finland extracts from the book entry registers of Euroclear Finland (Fi. "*omistajaluettelo*") relating to the Securities;
- (e) Payments. Payments to Holders will be made subject to, and in accordance with, the Clearing Agent Rules, including as to record dates. The Euroclear Finland record day (the "**Euroclear Finland Record Day**") shall be either the third or fifth, or such other Business Day before the due date for payment, as specified in the relevant Final Terms;
- (f) Exercise by Holder. Holders can exercise the Securities on an Exercise Date, subject, in respect of each duly exercised Security, to a fee of 0.5 per cent. of the Cash Amount (or such other amount as may be payable under the Clearing Agent Rules from time to time);
- (g) Notices. Announcements to Holders will be valid if delivered by the Issuer to the Clearing Agent(s) with an instruction from the Issuer to the Clearing Agent(s) to communicate such announcement to the Holders. Additionally, upon the occurrence of an Issuer Call, Holders will be notified via a publication in a national newspaper and an exchange release (unless otherwise required by the Clearing Agent Rules);
- (h) Substitution. The Issuer has agreed with Euroclear Finland that, so long as the Securities are accepted for clearance through Euroclear Finland, any substitution of the Issuer in accordance General Term 16 (*Substitution*) will comply with the requirements of Euroclear Finland and, in particular, any Substitute will be acceptable to Euroclear Finland; and
- (i) Address. The address of Euroclear Finland is Urho Kekkosen katu 5C, PO BOX 1110, 00101 Helsinki, Finland, subject as may change from time to time.

### 3. Securities clearing via Euroclear Sweden AB

If the relevant Final Terms specify that the Clearing Agent is Euroclear Sweden AB ("**Euroclear Sweden**"), the following amendments shall be deemed to be made to the General Terms and, notwithstanding any provisions to the contrary in the Terms and Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Clearing Agent Rules (as defined below), in the sole opinion of Euroclear Sweden:

- (a) Clearing Agent Rules. The applicable "**Clearing Agent Rules**" means the legislation (including the Swedish Financial Instruments Accounts Act (SFS 1998:1479)), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time;
- (b) Title. Title to the Securities will pass by transfer between accountholders at Euroclear Sweden perfected in accordance with the Clearing Agent Rules. The "**Holder**" means a person in whose name a Security is registered in a Euroclear Sweden account in the book entry settlement system of Euroclear Sweden or any other person recognised as a holder of Securities pursuant to the Clearing Agent Rules and accordingly, where



Securities are held through a registered nominee, the nominee shall be deemed to be the holder;

- (c) Issuer may inspect register. The Issuer shall be entitled to obtain from Euroclear Sweden extracts from the book entry registers of Euroclear Sweden (Sw. *skuldbok*) relating to the Securities;
- (d) Payments. Payments to Holders will be made subject to, and in accordance with, the Clearing Agent Rules, including as to record dates. The Euroclear Sweden record day shall be the fourth Business Day before the due date for payment;
- (e) Exercise by Holder. Holders can exercise the Securities on an Exercise Date, subject, in respect of each duly exercised Security, to a fee of 0.5 per cent. of the Cash Amount (or, if higher, such other amount as may be payable under the Clearing Agent Rules from time to time). The Notice shall be delivered by the relevant Holder to the Issuing and Paying Agent. The Issuing and Paying Agent shall be deemed to be irrevocably instructed and authorised by the Holder to verify, block, transfer and/or debit the relevant holding of Securities in the account specified by the Holder, in order to effectuate the exercise in accordance with the Clearing Agent Rules and the relevant Terms and Conditions;
- (f) Notices. Announcements to Holders will be valid if delivered by the Issuer to the Clearing Agent(s) with an instruction from the Issuer to the Clearing Agent(s) to communicate such announcement to the Holders. Additionally, upon the occurrence of an Issuer Call, Holders will be notified via a publication in a national newspaper and an exchange release (unless otherwise required by the Clearing Agent Rules);
- (g) Substitution. The Issuer has agreed with Euroclear Sweden that, so long as the Securities are accepted for clearance through Euroclear Sweden, any substitution of the Issuer in accordance General Term 16 (*Substitution*) will comply with the requirements of Euroclear Sweden and, in particular, any Substitute will be acceptable to Euroclear Sweden; and
- (h) Address. The address of Euroclear Sweden is Box 191, 101 23 Stockholm, Sweden, subject as may change from time to time.

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ASSET TERMS

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COMMODITY AND COMMODITY FUTURES CONTRACT LINKED TERMS

1. **Consequences of Market Disruption Events**

If the Calculation Agent determines that a Market Disruption Event has occurred or exists on any Value Determination Date (or, if different, the day on which the price for such Value Determination Date would, in the ordinary course, be published by the Price Source), the Relevant Price for such Value Determination Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

Upon the occurrence of a Market Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*), giving details of the action proposed to be taken in relation thereto. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Market Disruption Event and/or the action proposed to be taken in relation thereto shall not affect the validity of the occurrence and effect of such Market Disruption Event.

2. **Corrections to published prices**

If Correction of Commodity Reference Price is specified as applicable in the relevant Final Terms and a Commodity Reference Price published or announced on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Commodity Reference Price**") is published or announced by the relevant Price Source prior to the Correction Cut-Off Date, then such Corrected Commodity Reference Price shall be deemed to be the Commodity Reference Price for such Value Determination Date and the Calculation Agent shall use such Corrected Commodity Reference Price in determining any relevant amount payable under the Securities.

3. **Consequences of Additional Disruption Events**

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

4. **Definitions**

"**Additional Disruption Event**" means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

"**Calculation Agent Determination**" means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the

latest available quotation for the relevant Commodity Reference Price and any other information that it, in good faith, deems relevant.

"**CBOT**" means the Chicago Board of Trade or its successor.

"**Change in Law**" means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

"**COMEX**" means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

"**Commodity**" means the commodity (which may be a specified futures contract relating to an underlying commodity) specified as such in the relevant Final Terms.

"**Commodity Reference Dealers**" means that the price for a date will be determined on the basis of quotations provided by Reference Dealers on that date of that day's Specified Price for a unit of the relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer, without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that date will be the Specified Price provided by the relevant Reference Dealer that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for the date cannot be determined.

"**Commodity Reference Price**" means, in respect of a Commodity, such reference price for such Commodity or the Futures Contract relating to such Commodity as specified in Commodity and Commodity Futures Contract Linked Term 5 (*Commodity Reference Price and Related Definitions*) or such other reference price specified as such in the relevant Final Terms.

"**Correction Cut-Off Date**" means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the price of the Commodity.

"**Delayed Publication or Announcement**" means that the Relevant Price for a Value Determination Date will be determined based on the Specified Price in respect of the original day scheduled as such Value Determination Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Scheduled Trading Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been such Value Determination Date) or the Relevant Price continues to be unavailable for consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback (as defined below) specified to be applicable in the relevant Final Terms shall apply.

"**Delivery Date**" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or

capable of being determined from information reported in or by the relevant Price Source), as follows:

- (a) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year;
- (b) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract; and
- (c) if a Futures Contract with a specified expiration is specified in the relevant Final Terms, the month of expiry of such Futures Contract, or following any replacement of a relevant Futures Contract with a Futures Contract with a later expiration, the month of expiry of such replacement Future Contract,

provided that:

- (i) if "Delivery Date Roll" is specified to be applicable in the relevant Final Terms, then in the event that the relevant Value Determination Date or other relevant date falls on the last day on which trading may take place for the relevant Futures Contract, then the "Delivery Date" for such Commodity Reference Price in relation to such Value Determination Date or other relevant date shall be the month of expiry of the next Futures Contract to expire after (but not on) such Value Determination Date or other relevant date; or
- (ii) if "Expiry Date Roll" is specified to be applicable in the relevant Final Terms, then in the event that the relevant Value Determination Date or other relevant date falls (A) in the period commencing on, and including, the first notice date for the relevant Futures Contract to, but excluding, the last day on which trading may take place for the relevant Futures Contract, then the "Delivery Date" for such Commodity Reference Price in relation to such Value Determination Date or other relevant date shall be the month of expiry of the second Futures Contract to expire after such Value Determination Date or other relevant date, or (B) on the last day on which trading may take place for the relevant Futures Contract, then "Delivery Date" for such Commodity Reference Price in relation to such Value Determination Date or other relevant date shall be the month of expiry of the next Futures Contract to expire after (but not on) such Value Determination Date or other relevant date.

**"Disappearance of Commodity Reference Price"** means, in relation to a Commodity Reference Price, (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange, (b) the disappearance of, or of trading in, the relevant Commodity or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

**"Disruption Fallback"** means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Value Determination Date and shall mean (in the following order):

- (a) if "Delayed Publication or Announcement and Postponement" is specified to be applicable in the relevant Final Terms, Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to the Maximum Days of Disruption (measured from and including the original day that would otherwise have been such Value Determination Date)), provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within the Maximum Days of Disruption;

- (b) if "Postponement" is specified to be applicable in the relevant Final Terms, Postponement;
- (c) if "Fallback Reference Dealers" is specified to be applicable in the relevant Final Terms, Fallback Reference Dealers; and
- (d) if "Calculation Agent Determination" is specified to be applicable in the relevant Final Terms, Calculation Agent Determination.

**"EURONEXT LIFFE"** means Euronext B.V. London International Financial Futures and Options Exchange or its successor.

**"Exchange"** means the principal exchange or trading market on which such Commodity or Futures Contract is traded, as specified in respect of such Commodity in the relevant Final Terms or, if not so specified, as determined by the Calculation Agent.

**"Fallback Reference Dealers"** means that the Relevant Price will be determined in accordance with the Commodity Reference Price, "Commodity Reference Dealers".

**"Futures Contract"** means, in respect of a Commodity and a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to that Commodity specified in the relevant Final Terms or such substitute contract that replaces such contract (or any substitute of such contract) pursuant to the terms of the Securities.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"ICE"** means the Intercontinental Exchange or its successor.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"KCBOT"** means the Kansas City Board of Trade or its successor.

**"LBMA"** means the London Bullion Market Association or its successor.

**"LME"** means The London Metal Exchange Limited or its successor, as determined by the Calculation Agent.

**"LPPM"** means the London Platinum and Palladium Market or its successor.

**"Market Disruption Event"** means the occurrence, with respect to any Commodity or Futures Contract, of one or more of the following events:

- (a) Price Source Disruption;
- (b) Trading Disruption;

- (c) Disappearance of Commodity Reference Price;
- (d) Material Change in Formula;
- (e) Material Change in Content; or
- (f) Tax Disruption,

in each case, if so specified as applicable in the relevant Final Terms.

**"Material Change in Content"** means, in respect of a Commodity, the occurrence since the Trade Date of the initial issue of the relevant Series of Securities of a material change in the content, composition, or constitution of a Commodity or the relevant Futures Contract.

**"Material Change in Formula"** means, in respect of a Commodity, the occurrence since the Trade Date of the initial issue of the relevant Series of Securities of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

**"Maximum Days of Disruption"** means five Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"MDEX"** means the Malaysia Derivatives Exchange or its successor.

**"Nearby Month"**, when preceded by an ordinal adjective, means, in respect of a date, the month of expiration of the Futures Contract identified by that ordinal adjective, so that, for example, (a) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that date, (b) **"Second Nearby Month"** means the month of expiration of the second Futures Contract to expire following that date, and (c) **"Sixth Nearby Month"** means the month of expiration of the sixth Futures Contract to expire following that date.

**"NYMEX"** means the New York Mercantile Exchange or its successor.

**"Postponement"** means that a Value Determination Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Scheduled Trading Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been such Value Determination Date) for consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption, in which case the next Disruption Fallback specified in the definition of "Disruption Fallback" shall apply.

**"Price Source"** means, in respect of a Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price or Commodity Reference Price (or prices from which the Specified Price or Commodity Reference Price is calculated) specified in the relevant Final Terms.

**"Price Source Disruption"** means, in respect of a Commodity, (a) the failure of the relevant Price Source to announce or publish (i) the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price or (ii) the Commodity Reference Price (or the information necessary for determining the Commodity Reference Price), (b) the temporary or permanent discontinuance or unavailability of the Price Source, or (c) if the Commodity Reference Price is "Commodity Reference Dealers", the failure to obtain at least three quotations as requested from the relevant Reference Dealers.

**"Reference Dealers"** means, in respect of a Commodity for which the Commodity Reference Price is "Commodity Reference Dealers", the four dealers specified in the relevant Final Terms or, if dealers are not so specified, four leading dealers in the relevant market selected by the Calculation Agent.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security or any constituent of such reference asset is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset or any constituent of such reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Relevant Price"** means, in respect of any day, the price expressed as a price per unit of measure of the relevant Commodity, determined with respect to that day for the specified Commodity Reference Price.

**"Scheduled Trading Day"** means in respect of (a) any Commodity for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time, and (b) any Commodity for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

**"Specified Price"** means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the relevant Final

Terms (and, if applicable, as of the time so specified): (a) the high price, (b) the low price, (c) the average of the high price and the low price, (d) the closing price, (e) the opening price, (f) the bid price, (g) the asked price, (h) the average of the bid price and the asked price, (i) the settlement price, (j) the official settlement price, (k) the official price, (l) the morning fixing, (m) the afternoon fixing, (n) the fixing, (o) the spot price, (p) the ask low, (q) the ask high, (r) the bid low, (s) the bid high, or (t) any other price specified in the relevant Final Terms.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Tax Disruption"** means, in respect of a Commodity, the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, such Commodity or related Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date of the initial issue of the relevant Series of Securities, if the direct effect of such imposition, change or removal is to raise or lower the Commodity Reference Price on the day on which such Commodity Reference Price would otherwise be determined, from what it would have been without that imposition, change or removal.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Trading Disruption"** means, in respect of a Commodity, the material limitation imposed on trading or the material suspension of trading in such Commodity or related Futures Contract on the relevant Exchange or in any additional futures contract, options contract or commodity on any exchange or principal trading market. For these purposes:

- (a) a suspension of the trading in such Commodity or related Futures Contract on any Scheduled Trading Day shall be deemed to be material only if:
  - (i) all trading in such Commodity or related Futures Contract is suspended for the entire day; or
  - (ii) all trading in such Commodity or related Futures Contract is suspended subsequent to the opening of trading on the relevant day, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or related Futures Contract on such day and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in such Commodity or related Futures Contract on any Scheduled Trading Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of such Commodity or related Futures Contract may fluctuate and the closing or settlement price of such Commodity or related Futures Contract on such day is at the upper or lower limit of that range.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.

## 5. Commodity Reference Price and related definitions

The Commodity Reference Price and related definitions for each specified Commodity or Futures Contract relating to such Commodity shall be as set out below.



### 5.1 Aluminium

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Aluminium, the LME High Grade Primary Aluminium Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LME High Grade Primary Aluminium Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per metric tonne of Aluminium on the LME of the Aluminium Commodity Contract for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Aluminium"** means high grade primary aluminium; and

**"Aluminium Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Aluminium.

### 5.2 Brent Crude Oil

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Brent Crude Oil, the OIL-BRENT-ICE in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"OIL-BRENT-ICE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per barrel of Brent Crude Oil on the ICE of the Brent Crude Oil Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the ICE and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Brent Crude Oil"** means Brent blend crude oil; and

**"Brent Crude Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Brent Crude Oil.

### 5.3 Cocoa

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Cocoa, the COCOA-GBP-EURONEXT-LIFFE in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"COCOA-GBP-EURONEXT-LIFFE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Cocoa on EURONEXT LIFFE of the Cocoa Commodity Contract for the Delivery Date, stated in Pounds Sterling, as determined by EURONEXT LIFFE and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Cocoa"** means deliverable grade cocoa; and

**"Cocoa Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Cocoa.

#### 5.4 Coffee

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Coffee, the Coffee C Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"Coffee ARABICA-ICE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Coffee on the ICE of the Coffee Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Coffee"** means deliverable grade washed Arabica coffee; and

**"Coffee Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Coffee.

#### 5.5 Copper

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Copper, and if in the relevant Final Terms the price specified is:

- (a) **"COPPER-COMEX"**, then COPPER-COMEX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"COPPER-COMEX"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Copper on the COMEX of the Copper Commodity Contract for the Delivery Date, stated in United States cents, as determined and made public by the COMEX on such Value Determination Date or other relevant date,

where:

**"Copper"** means copper – Grade A or high grade copper; and

**"Copper Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Copper.

- (b) **"LME Copper Grade A Future Price"** then LME Copper Grade A Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LME Copper Grade A Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Copper on the LME of the Copper Commodity Contract for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Copper"** means Grade A copper; and

**"Copper Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Copper.

5.6 **Corn**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Corn, the CORN-CBOT in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"CORN-CBOT"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per bushel of Corn on the CBOT of the Corn Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Corn"** means deliverable grade corn; and

**"Corn Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Corn.

5.7 **Cotton**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Cotton, the COTTON NO. 2-ICE in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"COTTON NO. 2-ICE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Cotton on the ICE of the Cotton Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Cotton"** means deliverable grade cotton No. 2; and

**"Cotton Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Cotton.

5.8 **Crude Palm Oil**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Palm Oil, the MDEX Crude Palm Oil Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"MDEX Crude Palm Oil Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per metric tonne of Crude Palm Oil on MDEX of the Crude Palm Oil Commodity Contract for the Delivery Date, stated in Malaysian ringgit, as made public by MDEX and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Crude Palm Oil"** means crude palm oil of good merchantable quality, in bulk and unbleached; and

**"Crude Palm Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Crude Palm Oil.

#### 5.9 **Frozen Concentrated Orange Juice**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Frozen Concentrated Orange Juice, the FROZEN CONCENTRATED ORANGE JUICE NO. 1-ICE in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"FROZEN CONCENTRATED ORANGE JUICE NO. 1-ICE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Frozen Concentrated Orange Juice on the ICE of the Frozen Concentrated Orange Juice Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Frozen Concentrated Orange Juice"** means deliverable grade orange solids; and

**"Frozen Concentrated Orange Juice Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Frozen Concentrated Orange Juice.

#### 5.10 **Gold**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Gold, the GOLD-A.M. FIX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"GOLD-A.M. FIX"** means, in respect of any Value Determination Date or other relevant date, that morning's Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the London Gold Market and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Gold"** means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and

**"London Gold Market"** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

#### 5.11 **Lead**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Lead, the LME Lead Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LME Lead Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Lead on the LME of the Lead Commodity Contract for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Lead"** means standard lead; and

**"Lead Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Lead.

#### 5.12 **Lean Hogs**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Lean Hogs, the LEAN HOGS-CME in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LEAN HOGS-CME"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Lean Hogs on the CME of the Lean Hogs Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CME and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Lean Hogs"** means deliverable grade lean value hog carcasses; and

**"Lean Hogs Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Lean Hogs.

#### 5.13 **Live Cattle**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Live Cattle, the LIVE CATTLE-CME in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LIVE CATTLE-CME"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Live Cattle on the CME of the Live Cattle Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CME and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Live Cattle"** means deliverable grade live steers; and

**"Live Cattle Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Live Cattle.

5.14 **Natural Gas**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Henry Hub Natural Gas, the NATURAL GAS-HENRY HUB-NYMEX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"NATURAL GAS-HENRY HUB-NYMEX"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per MMBTU of Henry Hub Natural Gas on the NYMEX of the Henry Hub Natural Gas Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX on such Value Determination Date or other relevant date,

where:

**"Henry Hub Natural Gas"** means natural gas;

**"Henry Hub Natural Gas Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Henry Hub Natural Gas; and

**"MMBTU"** means one million British thermal units.

5.15 **Nickel**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Nickel, the LME Primary Nickel Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LME Primary Nickel Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Nickel on the LME of the Nickel Commodity Contract for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Nickel"** means primary nickel; and

**"Nickel Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Nickel.

5.16 **Palladium**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Palladium, the PALLADIUM-A.M. FIX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"PALLADIUM-A.M. FIX"** means, in respect of any Value Determination Date or other relevant date, that morning's Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in United States dollars, as calculated by the LPPM and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Palladium"** means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

5.17 **Platinum**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Platinum, the PLATINUM-A.M. FIX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"PLATINUM-A.M. FIX"** means, in respect of any Value Determination Date or other relevant date, that morning's Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in United States dollars, as calculated by the LPPM and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

Where:

**"Platinum"** means platinum ingots or plate or unallocated platinum complying with the rules of the LOOM relating to good delivery and fineness from time to time in effect.

5.18 **Rough Rice**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Rough Rice, the Rough Rice CBOT Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"Rough Rice CBOT Future"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per hundredweight of Rough Rice on the CBOT of the Rough Rice Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Rough Rice"** means U.S. No. 2 or better long grain rough rice; and

**"Rough Rice Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Rough Rice.

5.19 **Silver**

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Silver, and if in the relevant Final Terms the price specified is:

- (a) **"SILVER-COMEX"**, then SILVER-COMEX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"SILVER-COMEX"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per troy ounce of Silver on the COMEX of the Silver Commodity Contract for the Delivery Date, stated in United States cents, as determined and made public by the COMEX on such Value Determination Date or other relevant date,

where:

**"Silver"** means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and

**"Silver Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Silver.

- (b) "SILVER-FIX", then SILVER-FIX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"SILVER-FIX"** means, in respect of any Value Determination Date or other relevant date, that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the London Silver Market and displayed on the Price Source on that displays prices effective on such Value Determination Date or other relevant date,

where:

**"London Silver Market"** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver; and

**"Silver"** means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

## 5.20 Soybean

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Soybeans, the SOYBEANS-CBOT in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"SOYBEANS-CBOT"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per bushel of Soybeans on the CBOT of the Soybeans Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Soybeans"** means deliverable grade soybeans; and

**"Soybeans Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Soybeans.

## 5.21 Soybean Meal

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Soybean Meal, the SOYBEAN MEAL-CBOT in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:



**"SOYBEAN MEAL-CBOT"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Soybean Meal on the CBOT of the Soybean Meal Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the CBOT and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Soybean Meal"** means deliverable grade soybean meal; and

**"Soybean Meal Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Soybean Meal.

## 5.22 Sugar

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Sugar, the SUGAR #11 (WORLD)-ICE in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"Sugar #11 (World)-ICE"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per pound of Sugar on the ICE of the Sugar Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Sugar"** means deliverable grade cane sugar; and

**"Sugar Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Sugar.

## 5.23 Wheat

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Wheat, the WHEAT-CBOT in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"WHEAT-CBOT"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per bushel of Wheat on the CBOT of the Wheat Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Value Determination Date or other relevant date,

where:

**"Wheat"** means deliverable grade wheat; and

**"Wheat Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Wheat.

## 5.24 WTI Crude Oil

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and WTI Crude Oil, the OIL-WTI-NYMEX in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"OIL-WTI-NYMEX"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per barrel of WTI Crude Oil on the NYMEX of the WTI Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX on such Value Determination Date or other relevant date,

where:

**"WTI"** or **"WTI Crude Oil"** means West Texas Intermediate light sweet crude oil; and

**"WTI Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to WTI Crude Oil.

## 5.25 Zinc

**"Commodity Reference Price"** means, in respect of any Value Determination Date or other relevant date and Zinc, the LME High Grade Zinc Future Price in respect of such Value Determination Date or other relevant date, as determined by the Issuer,

where:

**"LME High Grade Zinc Future Price"** means, in respect of any Value Determination Date or other relevant date, that day's Specified Price per tonne of Zinc on the LME of the Zinc Commodity Contract for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Value Determination Date or other relevant date,

where:

**"Zinc"** means special high grade zinc; and

**"Zinc Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Zinc.

## CURRENCY LINKED TERMS

### 1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date is a Disrupted Day, such Value Determination Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Currency Exchange Rate on that last consecutive Scheduled Trading Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Currency Exchange Rate in respect of such Value Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 2. Corrections to published and displayed rates

If Correction of Currency Exchange Rate is specified as applicable in the relevant Final Terms and the Currency Exchange Rate published or displayed on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Currency Exchange Rate**") is published or displayed on the relevant Screen Page prior to the Correction Cut-Off Date, then such Corrected Currency Exchange Rate shall be deemed to be the relevant Currency Exchange Rate for such Value Determination Date and the Calculation Agent shall use such Corrected Currency Exchange Rate in determining any relevant amount payable under the Securities.

### 3. Consequences of Additional Disruption Events

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

#### 4. Definitions

**"Additional Disruption Event"** means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the Currency Exchange Rate.

**"Currency Exchange Rate"** means, in respect of any relevant day, the currency exchange rate of one currency for another currency (which may be derived from two currency exchange rates) specified in the relevant Final Terms, which appears on the relevant Screen Page on such day.

**"Currency Price"** means, in respect of a Currency Exchange Rate and any day, any of the following prices quoted on the relevant Screen Page at the Valuation Time or other relevant time on such day: (a) the high price, (b) the low price, (c) the bid price, (d) the ask price, (e) the spot price, (f) the mid price, or (g) any other price, in each case, as specified in the relevant Final Terms.

**"Disrupted Day"** means any Scheduled Trading Day on which a Market Disruption Event has occurred.

**"Event Currency"** means the Reference Currency.

**"Event Currency Jurisdiction"** means, in respect of an Event Currency, the country for which the Event Currency is the lawful currency.

**"General Inconvertibility"** means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels.

**"General Non-Transferability"** means the occurrence of any event that generally makes it impossible to deliver (a) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (b) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction.

**"Governmental Authority"** means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Event Currency Jurisdiction and any Non-Event Currency Jurisdiction.

**"Governmental Authority Default"** means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described), including, but

not limited to, (a) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (b) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee, or (c) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Illiquidity"** means it becomes impossible to obtain a firm quote of the Currency Exchange Rate or the Reference Currency for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on any Value Determination Date (or, if different, the day on which rates for such Value Determination Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the **"Illiquidity Value Determination Date"**) as is specified for such purpose in the relevant Final Terms. If an Illiquidity Value Determination Date is specified in the relevant Final Terms and an Illiquidity occurs on such date, then the Illiquidity Value Determination Date will be deemed to be the Value Determination Date.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Market Disruption Event"** means, in respect of the Issuer, any hedging counterparty of the Issuer or any affiliate thereof, the occurrence of one or more of the following events:

- (a) General Inconvertibility;
- (b) General Non-Transferability;
- (c) Governmental Authority Default;
- (d) Illiquidity;
- (e) Material Change in Circumstance;
- (f) Nationalisation;
- (g) Price Source Disruption;
- (h) Specific Inconvertibility; or

(i) Specific Non-Transferability,

in each case, if so specified as applicable in the relevant Final Terms.

**"Material Change in Circumstance"** means the occurrence of any event (other than those events specified as Market Disruption Events in the relevant Final Terms) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible (a) for the Issuer to fulfil its obligations under the Securities, and (b) generally to fulfil obligations similar to the Issuer's obligations under the Securities.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"Minimum Amount"** means the amount specified as such in the relevant Final Terms or, if such an amount is not specified, (a) for the purposes of the definition of Illiquidity, the Reference Currency Notional Amount, and (b) for the purposes of the definition of Specific Inconvertibility, the Event Currency equivalent of U.S.\$ 1.00.

**"Nationalisation"** means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates which are party to any hedging arrangements) of all or substantially all of its assets in the Event Currency Jurisdiction.

**"Non-Event Currency"** means the currency for any Currency Exchange Rate that is not the Event Currency.

**"Non-Event Currency Jurisdiction"** means, in respect of any Non-Event Currency, the country for which such Non-Event Currency is the lawful currency.

**"Price Source Disruption"** means it becomes impossible to obtain the Currency Exchange Rate on any Value Determination Date (or, if different, the day on which rates for such Value Determination Date would, in the ordinary course, be published or announced by the relevant price source).

**"Reference Currency"** means the Financing Level Currency or, if no such currency is specified, the Settlement Currency.

**"Reference Currency Notional Amount"** means the quantity of Reference Currency specified as such in the relevant Final Terms or, if no such quantity is specified, the quantity of the Reference Currency necessary to discharge the Issuer's obligations in respect of the Securities, as determined by the Calculation Agent.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to

accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;

- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Repudiation"** means that for the purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money or guarantee of such Governmental Authority in any material respect.

**"Scheduled Trading Day"** means each day on which the Currency Exchange Rate is scheduled to be published on the Screen Page.

**"Scheduled Value Determination Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Value Determination Date.

**"Screen Page"** means, in respect of a Currency Exchange Rate and a Currency Price, the screen page specified in the relevant Final Terms (or, if no such reference page exists, such other reference page as determined by the Calculation Agent).

**"Specific Inconvertibility"** means the occurrence of any event that makes it impossible for the Issuer to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the initial issue of the relevant Series of Securities and it is impossible for the Issuer, due to an event beyond the control of the Issuer to comply with such law, rule or regulation).

**"Specific Non-Transferability"** means the occurrence of any event that makes it impossible for the Issuer to deliver (a) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (b) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the initial issue of the relevant Series of Securities and it is impossible for the Issuer, as the case may be, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Valuation Time"** means the time specified as such in the relevant Final Terms.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.



## EQUITY LINKED TERMS

### 1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date is a Disrupted Day, such Value Determination Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its good faith estimate of the value of such Equity as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Equity Price in respect of such Value Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 2. Consequences of Potential Adjustment Events

If Potential Adjustment Events are specified in the relevant Final Terms, then following the declaration by the Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equity and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustment will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the Equity), including (unless "Equity Substitution" is specified as not applicable in the relevant Final Terms) the substitution of the Equity (the "**Substituted Equity**") the subject of the Potential Adjustment Event by a share selected by the Calculation Agent from the Reference Index (the "**New Equity**") and (b) determine the effective date of that adjustment. Unless "Equity Substitution" is specified as not applicable in the relevant Final Terms, if the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer or the Calculation Agent on its behalf shall make such other adjustments to the Securities as it deems appropriate. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equity traded on that options exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*), stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Potential Adjustment Event or any action taken.

### 3. Consequences of Extraordinary Events

If any Extraordinary Event is specified as applicable in the relevant Final Terms and one or more of such event occurs, in each case, in respect of an Equity, the Issuer may:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Extraordinary Event, as the case may be, including (unless "Equity Substitution" is specified as not applicable in the relevant Final Terms) the substitution of the Substituted Equity the subject of such Extraordinary Event by a New Equity and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that the Calculation Agent could make under (a) above will produce a commercially reasonable result, and notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Securities by payment of an amount equal to the Unscheduled Early Termination Amount of such Securities.

If the provisions of Equity Linked Term 3(a) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Extraordinary Event made by an options exchange to options on the Equity traded on that options exchange.

Unless "Equity Substitution" is specified as not applicable in the relevant Final Terms, if the Issuer or the Calculation Agent on its behalf selects a New Equity in substitution for the Substituted Equity, the Calculation Agent shall make such other adjustments to the Securities as it deems appropriate.

Upon the occurrence (if applicable) of one or more Extraordinary Events, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*), stating the occurrence of such Extraordinary Event(s), as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

#### **4. Corrections to published prices**

If Correction of Equity Price is specified as applicable in the relevant Final Terms and the price of an Equity published on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Equity Price**") is published on the relevant Exchange prior to the Correction Cut-Off Date, then such Corrected Equity Price shall be deemed to be the relevant price for such Equity for such Value Determination Date and the Calculation Agent shall use such Corrected Equity Price in determining any relevant amount payable under the Securities.

#### **5. Consequences of Additional Disruption Events**

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, including (unless "Equity Substitution" is specified as not applicable in the relevant Final Terms) the substitution of the Substituted Equity the subject of the Additional Disruption Event by a New Equity, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

## 6. Definitions

**"Additional Disruption Event"** means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and Loss of Stock Borrow, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the price of the Equity.

**"De-listing"** means, in respect of an Equity, the Exchange announces that, pursuant to the rules of such Exchange, such Equity ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Equity"** means the equity security (which may include a depositary receipt or a Dutch certificate) specified as such in the relevant Final Terms, and related expressions shall be construed accordingly.

**"Equity Issuer"** means the entity specified as such in the relevant Final Terms.

**"Equity Price"** means, in respect of an Equity and any relevant day, an amount equal to the official closing price or price at the Valuation Time of such Equity quoted on the relevant Exchange on such day, as determined by or on behalf of the Calculation Agent.

**"Exchange"** means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means, in respect of an Equity, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**"Extraordinary Event"** means the occurrence of any of the following:

- (a) De-listing;
- (b) Merger Event;
- (c) Nationalisation;
- (d) Insolvency; or
- (e) Tender Offer,

in each case, if specified in the relevant Final Terms.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Hedging Shares"** means the number of Equity that the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Increased Cost of Stock Borrow"** means that the Issuer and/or any of its affiliates would incur a rate to borrow the Equity that is greater than the Initial Stock Loan Rate.

**"Initial Stock Loan Rate"** means, in respect of an Equity, the rate which the Issuer and/or any of its affiliates would have incurred to borrow such Equity as of the Trade Date, as determined by the Calculation Agent.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Equity of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official, or (b) holders of the Equity of that Equity Issuer become legally prohibited from transferring them.

**"Insolvency Filing"** means that the Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

**"Loss of Stock Borrow"** means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) the Equity in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**"Market Disruption Event"** means the occurrence of, with respect of an Equity, one or more of the following events:

- (a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
  - (i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (A) relating to the Equity on the relevant Exchange; or
    - (B) in futures or options contracts relating to the Equity on any relevant Related Exchange; or
  - (ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Equity on any relevant Related Exchange;
- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"Maximum Stock Loan Rate"** means, in respect of an Equity, the lowest rate at which the Issuer and/or any of its affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Equity in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Calculation Agent.

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**"Merger Event"** means, in respect of any relevant Equity, any:

- (a) reclassification or change of such Equity that results in a transfer of or an irrevocable commitment to transfer all such Equity outstanding to another entity or person; or
- (b) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Equity outstanding); or
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equity of the Equity Issuer that results in a transfer of or an irrevocable commitment to

transfer all such Equity (other than such Equity owned or controlled by such other entity or person); or

- (d) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equity outstanding but results in the outstanding Equity (other than Equity owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equity immediately following such event,

in each case where the Merger Date is on or before a Value Determination Date.

**"Nationalisation"** means that all the Equity or all or substantially all the assets of the Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Potential Adjustment Event"** means the occurrence of any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Equity (unless resulting in a Merger Event), or a free distribution or dividend of any such Equity to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Equity of (i) such Equity, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Equity Issuer equally or proportionately with such payments to holders of such Equity, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by the Equity Issuer in respect of relevant Equity that are not fully paid;
- (e) a repurchase by the Equity Issuer or any of its subsidiaries of relevant Equity whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Equity Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that the Calculation Agent determines has, or may have, a diluting, concentrative or other effect on the theoretical value of the relevant Equity.

**"Reference Index"** means, in respect of a Substituted Equity (as defined above), the index (a) of which the Substituted Equity is a component, or of which it has been a component of at any time during the six months immediately preceding the relevant substitution, and (b) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than one index satisfies the above criteria or if no index satisfies the above criteria, the Calculation Agent shall determine the Reference Index for the Substituted Equity by reference to such criteria as it deems appropriate.

**"Related Exchange"** means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where **"All Exchanges"** is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**"Scheduled Value Determination Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Value Determination Date.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Valuation Time"** means, in respect of an Equity, the time specified as such in the relevant Final Terms, or if no time is specified in the relevant Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Value Determination Date in relation to such Equity, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and such specified Valuation Time is after the actual closing time of the relevant Exchange, then the Valuation Time shall be such actual closing time.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.



## FUND LINKED TERMS

### 1. Consequences of Fund Events, Potential Fund Events, Insolvency or Merger Events

If the Calculation Agent determines in respect of such Value Determination Date that a Fund Event, Potential Fund Event or Insolvency in respect of the Fund, the Management Company or any Fund Service Provider, or any Merger Event in respect of the Fund or the Management Company has occurred or is continuing, then the Calculation Agent shall determine the Fund Share Price of the relevant Fund Shares on such Value Determination Date.

Following the determination by the Calculation Agent of the occurrence of any Fund Event, Potential Fund Event or Insolvency in respect of the Fund, the Management Company or any Fund Service Provider, or any Merger Event in respect of the Fund or the Management Company, the Calculation Agent shall notify the Issuer who shall notify the Holders following the determination of such event, in accordance with General Term 15 (*Notices*). In respect of each Fund Event, Potential Fund Event, Insolvency or Merger Event that has not been waived by the Issuer, following the occurrence of such an event (and regardless of whether or not such event is then continuing), the Issuer may take any of following actions (each, a "**Permitted Action**"):

- (a) require the Calculation Agent to (i) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and relating to the relevant Securities as the Calculation Agent determines appropriate to account for the economic effect on the relevant Securities of such Fund Event, Potential Fund Event, Insolvency or Merger Event and (ii) determine the effective date of the relevant adjustments;
- (b) require the Calculation Agent to select a replacement fund (the "**Replacement Fund**"), which the Calculation Agent determines has a similar risk profile as the Fund and the appropriate date (the "**Substitution Date**") for the replacement of the Fund by the Replacement Fund. Following any such selection, (i) the Replacement Fund shall replace the Fund on the Substitution Date, (ii) references herein to the name of the Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date, and (iii) the Calculation Agent shall, in good faith, make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the relevant Securities to reflect such substitution;
- (c) determine that no adjustment that the Calculation Agent could make under (a) or (b) above will produce a commercially reasonable result, and notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Securities by payment of an amount equal to the Unscheduled Early Termination Amount of such Securities; or
- (d) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions as are necessary to reflect a notional liquidation of all of the Fund Shares (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Fund Shares at the relevant time) and a notional investment of the liquidation proceeds in either (i) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price (as defined in the relevant Final Terms) of the Security, (ii) commercial paper rated at least A1/P1 or above by Moody's Investors Service, Inc. (any transaction costs that would be incurred in respect of an actual such investment may be deducted from the value of the Security), or (iii) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Calculation Agent in respect of such a deposit as determined by the Calculation Agent.

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or only took one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event, Potential Fund Event, Insolvency or Merger Event. In such respect, the Issuer may make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the relevant Securities as the Calculation Agent determines appropriate to account for the fact that the Permitted Action selected has been altered.

Notwithstanding anything in these Fund Linked Terms, neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event, a Potential Fund Event, an Insolvency or a Merger Event has occurred or take any or all of the Permitted Actions.

Upon the Calculation Agent making a determination pursuant to this Fund Linked Term 1 (*Consequences of Fund Events, Potential Fund Events, Insolvency or Merger Events*), the Issuer shall give notice as soon as practicable to Holders in accordance with General Term 15 (*Notices*), giving details of such determination, provided that any failure to give such notice shall not affect the validity of such event or any action taken or not taken.

## **2. Corrections to published prices**

If Correction of Fund Share Price is specified as applicable in the relevant Final Terms and the price of a Fund published or announced on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Fund Share Price**") is published or announced by the Management Company of the Fund or the relevant Exchange (if the Fund is an ETF) prior to the Correction Cut-Off Date, then such Corrected Fund Share Price shall be deemed to be the relevant price for such Fund for such Value Determination Date and the Calculation Agent shall use such Corrected Fund Share Price in determining any relevant amount payable under the Securities.

## **3. Consequences of Additional Disruption Events**

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, including the substitution of the Fund Shares the subject of the Additional Disruption Event by a Replacement Fund, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that the Calculation Agent could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

## **4. Calculation Agent determinations**

- (a) If, in respect of any determination or calculation under the Securities which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of such Fund, or, where the Fund is an ETF, the last reported trading price of such ETF on the Exchange in respect of a relevant date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or ETF as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may

use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.

- (b) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Fund Linked Terms as the Issuer or the Calculation Agent determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
- (c) For the avoidance of doubt and notwithstanding any other Terms and Conditions, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any relevant hedging transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

## 5. Definitions

**"Additional Disruption Event"** means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the price of the Fund.

**"Effective Date"** means, in respect of (a) the Fund, the Issue Date, and (b) any Replacement Fund, the Substitution Date of such Replacement Fund.

**"ETF"** means the Fund which is specified in the relevant Final Terms to be an exchange traded fund.

**"Exchange"** means, in respect of a Fund that is an ETF, each exchange or quotation system specified as such for such Fund in the relevant Final Terms, any successor to such exchange or

quotation system or any substitute exchange or quotation system to which trading in the Fund Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund on such temporary substitute exchange or quotation system as on the original Exchange).

**"Fund"** means, subject to adjustment or substitution (if applicable) in accordance with these Fund Linked Terms, the fund specified in the relevant Final Terms.

**"Fund Documents"** means, with respect to any Fund or Fund Shares, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Fund Shares specifying the terms and conditions relating to such Fund or Fund Shares and which shall include any Hedging Agreement, each as amended from time to time.

**"Fund Event"** means each of the following events, as determined by the Calculation Agent and/or the Issuer (as the case may be):

(a) *Global Events*

- (i) The strategy/investment objective of the Fund has changed so that it is substantially different from that applicable at the Effective Date or, if applicable, the Substitution Date, as the case may be, or any material change in the underlying nature, strategy or risk of the Fund's portfolio, over and above that expected with respect to the trading strategies employed.
- (ii) The Calculation Agent is not satisfied that the Fund is being managed in accordance with its rules or in accordance with the description of the Fund's strategy/investment/portfolio objectives contained in the relevant Fund Documents and/or the Fund Prospectus prepared in connection with the marketing of the Fund, and the Management Company, any Fund Service Provider or director of the Fund has failed to take any action satisfactory to the Calculation Agent within five Business Days from the date on which such change occurred with a view towards correcting such change.
- (iii) The currency of denomination of the Fund Shares is amended so that the Net Asset Value or trading price of the Fund Shares is no longer calculated in the same currency as at the Effective Date or, if applicable, Substitution Date, as the case may be.
- (iv) The activities of the Fund or the Management Company, or any Fund Service Provider and/or any of their respective directors, officers, employees or agents, are placed under review or investigation by any administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or the Management Company, or any Fund Service Provider and/or any of their respective directors, officers, employees or agents, have any of their respective registrations, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.
- (v) Written notification is given by the Management Company to holders of Fund Shares, or to the administrator of the Fund, that it believes it is not advisable to continue operation of the Fund because it is not economically prudent to do so or the strategy/investment/portfolio objectives of the Fund cannot be met in the foreseeable future, or for similar reasons or the Fund ceasing to trade or a petition is made for the winding-up, dissolution or liquidation of the Fund.
- (vi) The Fund, the Management Company or any Fund Service Provider becomes party to any litigation or dispute which the Calculation Agent considers material.

- (vii) Any security granted by the Fund, the Management Company or any Fund Service Provider over any of their assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund, the Management Company or any Fund Service Provider.
- (viii) The Calculation Agent determines that the operation or organisation of the Fund or the Management Company (including, without limitation, its organisational structure and its procedures, processes or policies in respect of investment selection, due diligence, asset allocation, risk management or investment monitoring) has changed from that at the Effective Date or, if applicable, the Substitution Date, as the case may be, or that any such procedures, processes or policies are either not being applied or are not being applied consistently with their application on the Effective Date or, if applicable, the Substitution Date, as the case may be.
- (ix) Any event or change affecting any of the structure, ownership, management, reputation or solvency of the Fund and/or any units in the capital of the Fund and/or the Management Company and/or any Fund Service Provider that the Calculation Agent does not pre-approve in writing and which is likely to have a significant impact on the value of the Fund Share Price immediately or thereafter which the Calculation Agent determines is material.
- (x) The Fund, the Management Company or any Fund Service Provider has experienced or is experiencing a material adverse change, as determined by the Calculation Agent, in its business, assets, operations or financial condition.
- (xi) Any material amendments, changes, modifications or variations made to any of the material terms and conditions, contents of any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines of the Fund (including a material change in the liquidity of the Fund) that has not been previously agreed with the Issuer and which could be detrimental to the Issuer.
- (xii) Any event occurs which the Calculation Agent determines causes or will, with the passage of time, cause the failure of the Management Company and/or the Fund and/or any Fund Service Provider to meet or maintain any material obligation or undertaking under the Fund Documents.
- (xiii) In respect of the Fund Shares, any fraudulent or negligent entry is made on the register of such Fund Shares maintained by or on behalf of the Fund, or there is a reduction in the number of Fund Shares, or there is a reduction in the number of Fund Shares held for the account of any investor in the Fund for reasons beyond the control of that investor which the Calculation Agent considers material.
- (xiv) The Calculation Agent determines that the Issuer, any of its affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on any such entity by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Fund Shares.

- (xv) Any circumstances affecting the availability of Fund Shares to any actual holder of Fund Shares as a result of which the Calculation Agent determines that if the Issuer, any of its affiliates or any Hedge Provider was such holder, it would be unable to hedge its position with respect to the Securities on terms comparable to those applicable on the Effective Date.
  - (xvi) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
  - (xvii) Significant market, trading or exchange disruption and/or crisis in the major financial markets.
  - (xviii) The Issuer or the Calculation Agent on its behalf determines that (A) the obligations of any of the Management Company or any Fund Service Provider or the directors of the Management Company under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms, or (B) any of the Management Company or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (A) and (B) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
  - (xix) Written notification is given by the Management Company to holders of Fund Shares, or to the administrator of the Fund, that it made, or will make, a general assignment or arrangement with or for the benefit of its creditors.
  - (xx) In respect of the Fund Shares of a Fund that is an ETF, the Exchange announces that pursuant to the rules of such Exchange, such Fund Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange.
- (b) *Net Asset Value and Reporting*
- (i) The Management Company (A) fails to calculate and/or publish the Net Asset Value of the Fund Shares on any day on which such calculation or publication was scheduled, in accordance with the rules of the Fund or the description contained in the Fund Documents and/or the Fund Prospectus, (B) makes any change to the methodology used for calculating either the Net Asset Value of the Fund Shares or any estimate of the Net Asset Value of the Fund Shares, (C) fails to calculate and publish the Net Asset Value of the Fund Shares with the frequency set out in the Fund Documents and/or the Fund Prospectus, or (D) fails to calculate and deliver any estimate of its Net Asset Value to the Issuer, any of its affiliates or any Hedge Provider in accordance with such timing as it has previously provided such information.
  - (ii) The Fund, the Management Company or any Fund Service Provider amends the time delay between calculation of the Net Asset Value (or any estimated Net Asset Value) of the Fund Shares and the publication of such Net Asset Value (or estimated Net Asset Value) so that it is no longer the same as set out in the Fund Prospectus, or the Fund, the Management Company or any Fund Service Provider fails to publish any other information relating to the Fund to be published in accordance with the Fund Documents or the Fund Prospectus or fails to publish such information in accordance with the timetable set out in its rules or in such documents.

- (iii) The audited Net Asset Value of the Fund Shares is in the determination of the Calculation Agent materially different from the related Net Asset Value previously published by the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund or any Net Asset Value published by the Fund, or the Calculation Agent considers that the Net Asset Value of the Fund or of any sub-fund held by the Fund, in respect of any calculation date, does not reflect the Net Asset Value of such fund as it would have been determined by the independent auditors of that fund using generally accepted accounting standards in the appropriate jurisdiction.
  - (iv) The decline in assets under management of the Fund since the Effective Date or, if applicable, the Substitution Date, as the case may be, is greater than 50 per cent., as determined by the Calculation Agent.
  - (v) The Calculation Agent has not received from the Fund, the Management Company or any Fund Service Provider or director of the Fund, any reports, including, but not limited to, risk reporting and/or financial reporting and/or audit reporting, required by the Calculation Agent in connection with the relevant Securities within any agreed time scale or has received, as determined by the Calculation Agent, erroneous reporting, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Fund or the Management Company, or any director of the Fund or Fund Service Provider.
  - (vi) In respect of any Fund Share, the occurrence of any event affecting such Fund Share that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Fund Share, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event.
- (c) *Fund Shares*
- Any of the following events relating to the Fund Shares:
- (i) a subdivision, reclassification or distribution of Fund Shares which has a diluting or concentrative effect on the theoretical value of the Fund Shares;
  - (ii) a (A) dividend (including cash and whether ordinary or extraordinary), (B) distribution, or (C) issue of Fund Shares, capital, securities, rights or other assets or interests to existing holders of Fund Shares which has or is likely to have, as determined by the Calculation Agent, an effect on the value of the Fund Shares;
  - (iii) a call by the Fund in respect of Fund Shares that are not fully paid;
  - (iv) any suspension or limitation on the trading of the relevant currencies in which the Fund Shares are denominated; or
  - (v) a portion of each Fund Share is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of "side-pocket" which affects the Fund Shares.
- (d) *Trading*
- (i) The Issuer, any of its affiliates or any Hedge Provider would be required to pay or would otherwise incur an increase in respect of any fee in relation to their hedging activities in respect of the relevant Securities, including, but not limited to an increase to (A) a subscription fee in respect of a purchase of Fund Shares,

- or (B) a redemption fee in respect of a sale of Fund Shares (as the case may be) of the Fund.
- (ii) Any material suspension of or limitation imposed on trading of the Fund or on trading in the Fund Shares or any relevant currencies in which the Fund Shares are denominated (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund is deferred in whole or in part or is made at a value other than the related Net Asset Value.
  - (iii) The failure of trading to commence, or the permanent discontinuation of trading of the Fund or in the Fund Shares.
  - (iv) The Issuer, any of its affiliates or any Hedge Provider would be obliged (whether by the Management Company, or due to any legal, regulatory and/or internal limitations on the amounts of Fund Shares that it may hold, or otherwise) to redeem all or some of the Fund Shares that it is holding in relation to its hedging activities in respect of the relevant Securities.
  - (v) If, in the determination of the Calculation Agent or the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or funding spread to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Fund Shares of issuing and performing its obligations with respect to the relevant Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
  - (vi) The Fund or the Management Company amends the frequency at which Fund Shares can be traded so that it is no longer the same as set out in the Fund Documents and/or the Fund Prospectus or amends the timing for subscription or redemption of Fund Shares, including, without limitation, the timetable for payment of redemption proceeds upon redemption.
  - (vii) The Calculation Agent determines that if the Issuer or any of its affiliates were to redeem Fund Shares or is entitled to any other amount, such person would not (A) receive full proceeds of such redemption or other amount in cash in accordance with the redemption proceeds timing set out in the Fund Documents or the Fund Prospectus, or (B) receive any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it, or the Issuer or the Calculation Agent on its behalf determines that either (A) or (B) above would be applicable were the Issuer or any of its affiliates to redeem Fund Shares or be entitled to actual payment of any such other amount.
  - (viii) The occurrence of any of the following: (A) a devaluation generally of, or decrease in liquidity in respect of, investments in any market in which the Fund is invested, (B) a lack of availability of interbank funding to the Issuer, any of its affiliates or any Hedge Provider at a commercially reasonable rate for the purposes of acquiring or maintaining a position in the Fund Shares, or (C) any other market restrictions or events that have an adverse effect on the value of the Fund Shares, or on the ability of the Issuer, any of its affiliates or any Hedge Provider to hedge its exposure in connection with the relevant Securities, as determined by the Calculation Agent.
  - (ix) Any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between the Issuer and the Fund, or the Management Company, any Fund Service Provider or the directors of the Fund, which the Calculation Agent is advised, to its reasonable satisfaction, to be unenforceable.



(e) *Management Company and Fund Service Provider Failures*

- (i) The Calculation Agent is unable, or it is impracticable for the Calculation Agent, to promptly obtain any information in relation to the business, assets, operations or financial condition of the Fund, the Management Company or any Fund Service Provider which the Calculation Agent deems necessary for any determinations, including, but not be limited to, determinations in respect of the breach of any parameter of the Portfolio Guidelines and the occurrence of any Fund Event or in the execution of its duties and obligations under the relevant Securities.
- (ii) Other than in connection with a market disruption, there occurs a failure by the Fund, the Management Company or any Fund Service Provider to submit redemption notices to the entities in which the Fund invests as and when required to begin the redemption process.
- (iii) There is a failure by the Management Company to take action satisfactory to the Calculation Agent and within a prompt timescale satisfactory to the Calculation Agent so as to have cured within such time period as may be agreed to from time to time between the Calculation Agent and the Fund or the Management Company any breach of any representations, covenants and agreements under the investment management agreement relating to the Fund.
- (iv) There occurs the resignation by the Management Company as investment manager of the Fund or any Fund Service Provider, or termination or other change of the Management Company as investment manager or other Fund Service Provider or any change in the personnel of the Management Company or any Fund Service Provider, which the Calculation Agent considers material.
- (v) The Management Company increases its management fee or incentive fee charged to the Fund in an amount that the Calculation Agent determines is material.
- (vi) The Management Company, the Fund or any Fund Service Provider or director of the Fund fails to provide the Calculation Agent with adequate information as may be required to determine the occurrence of a Fund Event.
- (vii) There is a failure by the Fund and/or the Management Company or any Fund Service Provider or director of the Fund to notify or disclose to the Issuer, on the Effective Date, any information, event or circumstance that was in existence on such date and which the Calculation Agent determines is material.
- (viii) The Management Company ceases to exist or trade or a petition is made for the winding-up, dissolution or liquidation of the Management Company.

(f) *Service Provider Failures*

Any Fund Service Provider resigns or its relationship with the Fund or the Management Company, as applicable, is otherwise terminated and the Calculation Agent considers that such resignation or termination (as the case may be) is material, or such party is bankrupt, insolvent, wound-up, liquidated, dissolved, ceases to exist or otherwise ceases to continue to perform its duties.

(g) *Regulatory Constraints*

There is any change in the regulatory or tax treatment applicable with respect to the Fund, the Management Company or Fund Service Provider which, in the determination of the Calculation Agent, could have an economic impact for the Issuer, any of its affiliates or any Hedge Provider as a holder of an interest in the Fund, as the case may be, or could materially adversely affect the carrying out of the strategy/investment

objective of the Fund or could result in the Fund, the Management Company or any Fund Service Provider incurring additional costs which, in the determination of the Calculation Agent, would be material.

(h) *Hedge Provider*

There occurs a material decline in the creditworthiness of a party with whom the Issuer has entered into any relevant hedging transaction in respect of the Issuer's obligations in connection with the Securities.

(i) *General*

Any other event which the Calculation Agent determines has an analogous effect to any of the events specified in these Fund Linked Terms.

**"Fund Prospectus"** means the prospectus, offering memorandum, listing particulars or other document which contains, among other things, the investment, objectives, portfolio guidelines or strategy of the Fund.

**"Fund Service Provider"** means any third party service provider appointed to provide services, directly or indirectly, to the Fund(s), whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any adviser, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

**"Fund Share Price"** means, in respect of any relevant day and:

- (a) a Fund (other than an ETF), and if:
  - (i) "NAV" is specified in the relevant Final Terms, the NAV of the Fund as quoted by the Management Company for such day; or
  - (ii) "Trading Price" is specified in the relevant Final Terms, the trading price of the Fund as quoted by the Management Company for such day; or
- (b) a Fund that is an ETF, the trading price of such ETF on the relevant Exchange at the Valuation Time for such day.

**"Fund Shares"** means shares issued by the Fund specified in the relevant Final Terms.

**"Hedge Provider"** includes but is not limited to the Issuer, any associate, subsidiary or affiliate thereof and/or any other party(ies) and/or any special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer's hedging arrangements in respect of the Securities.

**"Hedging Agreement"** means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between (a) the Issuer, any of its affiliates or any Hedge Provider, and (b) the Fund, the Management Company, any other Fund Service Provider or the directors of the Fund.

**"Hedging Disruption"** means that the Issuer or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer

and/or any of its affiliates deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Information Source"** means the information source specified in the relevant Final Terms.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Relevant Party or Fund Service Provider, (a) all the shares, units or other equity interests of that Relevant Party, respectively, are required to be transferred to a trustee, liquidator or other similar official, or (b) holders of all or some of the shares, units or other equity interests of that Relevant Party or Fund Service Provider, respectively, become legally prohibited from transferring them.

**"Management Company"** means, in respect of the Fund, the investment manager of the Fund or, in respect of any publication of the Net Asset Value of the Fund, the service provider responsible for publishing such Net Asset Value.

**"Merger Event"** means, in respect of any relevant shares, units or interests issued by a Relevant Party, the occurrence of any (a) reclassification or change of such shares, units or interests that results in a transfer of or an irrevocable commitment to transfer all of such shares, units or interests outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of such Relevant Party with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Relevant Party is the continuing entity and which does not result in a reclassification or change of all of such shares, units or interests outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares, units or interests of such Relevant Party that results in a transfer of or an irrevocable commitment to transfer all such shares, units or interests (other than such shares, units or interests owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Fund or Management Company, as applicable, or its subsidiaries with or into another entity in which the Fund or Management Company, as applicable, is the continuing entity and which does not result in a reclassification or change of all such shares, units or interests outstanding but results in the outstanding shares, units or interests (other than shares, units or interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares, units or interests immediately following such event.

**"Net Asset Value"** or **"NAV"** means, in respect of any relevant day, the net asset value of the Fund on such day, as calculated by the Management Company, and published by the Management Company on the Information Source.

**"Portfolio Guidelines"** means the investment guidelines, objectives and restrictions as set out in the Fund Prospectus and/or the relevant Fund Documents.

**"Potential Fund Event"** means any event or circumstance which would or may (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing), in the determination of the Calculation Agent, constitute or cause a Fund Event or where the Calculation Agent reasonably believes in good faith that a Fund Event may have occurred but does not at that time have evidence thereof.

**"Related Exchange"** means, in respect of a Fund, each exchange or quotation system specified as such in relation to such Fund in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Fund has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures

or options contracts relating to such Fund on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "**All Exchanges**" is specified as the Related Exchange in the relevant Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Fund.

"**Relevant Currency**" means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

"**Relevant Currency Disruption**" means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

"**Relevant Currency Exchange Rate**" means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

"**Relevant Party**" means, in respect of each Fund, the Fund, its Management Company or any prime broker, custodian or other service provider to the Fund.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means any day that is (or, but for the occurrence of a Fund Event, a Potential Fund Event, an Insolvency and/or a Merger Event, would have been), in respect of:

- (a) a Fund (other than an ETF), a day on which dealing in the Fund can take place including but not limited to a day on which subscription or redemption of Fund Shares takes place (without giving effect to any gating, deferral, suspension or other similar provision to delay or refuse a duly completed and timely submitted request to redeem Fund Shares on such day); or
- (b) a Fund that is an ETF, any day on which each Exchange or Related Exchange are scheduled to be open for trading for its respective regular trading sessions.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Valuation Time"** means, in respect of a Fund that is an ETF, the time specified as such in the relevant Final Terms, or if no time is specified in the relevant Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Value Determination Date in relation to such ETF, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and such specified Valuation Time is after the actual closing time of the relevant Exchange, then the Valuation Time shall be such actual closing time.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.

## GOVERNMENT BOND FUTURES CONTRACT LINKED TERMS

### 1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date is a Disrupted Day, such Value Determination Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its good faith estimate of the value of such Government Bond Futures Contract as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Official Settlement Price in respect of such Value Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 2. Corrections to published prices

If Correction of Official Settlement Price is specified as applicable in the relevant Final Terms and the price of a Government Bond Futures Contract published or announced on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Official Settlement Price**") is published or announced on the relevant Exchange prior to the Correction Cut-Off Date, then such Corrected Official Settlement Price shall be deemed to be the relevant price for such Government Bond Futures Contract for such Value Determination Date and the Calculation Agent shall use such Corrected Official Settlement Price in determining any relevant amount payable under the Securities.

### 3. Consequences of Additional Disruption Events

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

### 4. Definitions

"**Additional Disruption Event**" means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the price of the Government Bond Futures Contract.

**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Exchange"** means, in respect of a Government Bond Futures Contract, the securities exchange or trading market specified for such Government Bond Futures Contract in the relevant Final Terms (or any successor to such securities exchange or trading market).

**"Government Bond"** means the bond specified as such in the relevant Final Terms.

**"Government Bond Futures Contract"** means, in respect of a Government Bond, any futures, options or other derivatives contract (each, for this purpose, a **"contract"**) relating to that Government Bond specified in the relevant Final Terms or such substitute contract that replaces such contract (or any substitute of such contract) pursuant to the terms of the Securities.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the debt or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the debt or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Market Disruption Event"** means the occurrence of, with respect to any Government Bond Futures Contract, one or more of the following events:

- (a) Trading Suspension; or
- (b) Trading Limitation,

in each case, if so specified in the relevant Final Terms.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"Official Settlement Price"** means, in respect of a Government Bond Futures Contract and any day, the official settlement price of such Government Bond Futures Contract published by the Exchange on such day.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security or any constituent of such reference asset is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset or any constituent of such reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Scheduled Trading Day"** means any day that is (or but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time.

**"Scheduled Value Determination Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Value Determination Date.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.



**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Trading Limitation"** means that a material limitation has been imposed on trading in the Government Bond Futures Contract with respect to it or any contract with respect to it on any exchange or principal trading market.

**"Trading Suspension"** means the material suspension of trading of the Government Bond Futures Contract on the Exchange.

**"Valuation Time"** means the time specified as such in the relevant Final Terms, or if no time is specified in the relevant Final Terms, the close of trading on the Exchange.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.

## INDEX LINKED TERMS

### 1. Consequences of Disrupted Days for an Index (other than a Commodity Index)

If the Calculation Agent determines that any Value Determination Date is a Disrupted Day, such Value Determination Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the level of the Index as of the Valuation Time on such last consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on such last consecutive Scheduled Trading Day of each component comprised in the Index (or if an event has occurred which the Calculation Agent determines prevents the value of a relevant component from being determined in the usual manner on such last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant component as of the Valuation Time on such last consecutive Scheduled Trading Day), and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Index Level in each case in respect of such Value Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 2. Consequences of Disrupted Days for a Commodity Index

If the Calculation Agent determines that any Value Determination Date in respect of a Commodity Index is a Disrupted Day, the Index Level of such Commodity Index on such Value Determination Date shall be determined by the Calculation Agent as follows:

- (a) if the Calculation Agent determines that such Value Determination Date is not a Disrupted Day in respect of a component included in such Commodity Index (an "**Unaffected Component**"), the Index Level of such Commodity Index will be based on the settlement price of such Unaffected Component as published by the relevant trading facility on such Value Determination Date; and
- (b) if the Calculation Agent determines that such Value Determination Date is a Disrupted Day in respect of a component included in such Commodity Index (an "**Affected Component**"), the Index Level of such Commodity Index will be based on the settlement price of such Affected Component published by the relevant trading facility on the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day for such Affected Component, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days relating to such Affected Component equal in number to the Maximum Days of Disruption immediately following such Value Determination Date is a Disrupted Day for such Affected Component, then the price of such Affected Component to be used in calculating the Index Level of such Commodity Index for such Value Determination Date shall be determined by the Calculation Agent on the Scheduled Trading Day relating to such Affected Component immediately following the expiry of the

Maximum Days of Disruption, notwithstanding that such day may, or may not, be a Disrupted Day for such Affected Component; and

- (c) the Calculation Agent shall determine the Index Level of the Commodity Index by reference to the settlement price or other prices of each component included in such Commodity Index determined pursuant to sub-paragraphs (a) and (b) above using the then current method for calculating the Commodity Index on the Latest Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 3. Index Adjustment Events

- (a) Successor Index Sponsor or Successor Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "**Successor Index**") will be deemed to be the Index.

- (b) Occurrence of an Index Adjustment Event

If (i) on or prior to a Value Determination Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock, capitalisation, components and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Value Determination Date or other relevant date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" (provided that, in respect of a Multi-Exchange Index, a Commodity Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Issuer shall take the action described in (x) or (y) below:

(x) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Securities and, if so, to calculate the relevant level of the Index using, in lieu of a published level for that Index, the level for that Index as at the relevant Valuation Time on such Value Determination Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation but using only those components that comprised that Index immediately prior to that Index Adjustment Event; or

(y) determine that the Securities shall be terminated, in which event the Issuer will cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount.

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) giving details of the

action proposed to be taken in relation thereto, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken.

**4. Corrections to published levels**

If Correction of Index Level is specified as applicable in the relevant Final Terms and the level of an Index published on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date, then such Corrected Index Level shall be deemed to be the relevant level for such Index for such Value Determination Date and the Calculation Agent shall use such Corrected Index Level in determining any relevant amount payable under the Securities.

**5. Consequences of Additional Disruption Events**

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

**6. Index disclaimer**

The Securities are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. None of the Issuer, the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition, or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index. In addition, no representation or warranty of any type, as to condition, satisfactory quality, performance or fitness for purpose are given, or duty or liability is assumed, by the Issuer, its affiliates, or the Calculation Agent in respect of the Index or any data included in or omissions from the Index, or the use of the Index in connection with the Securities and all those representations and warranties are excluded, save to the extent that such exclusion is prohibited by law.

## 7. Definitions

**"Additional Disruption Event"** means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Commodity Index"** means the index specified as such in the relevant Final Terms.

**"Commodity Component Determination Date"** means, in respect of an Affected Component included in a Commodity Index, the day on which the settlement price of such Affected Component is determined in accordance with Index Linked Term 2 (*Consequences of Disrupted Days for a Commodity Index*).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the level of the Index.

**"Disappearance of Price"** means the permanent discontinuation of trading in the Commodity Index or any of its components on the Exchange, disappearance of, or of trading in, the Commodity Index or any of its components or the disappearance or permanent discontinuance or unavailability of a reference price, notwithstanding the availability of the related price source or the status of trading in the Commodity Index or any of its components.

**"Disrupted Day"** means, in respect of:

- (a) a Single-Exchange Index, any Scheduled Trading Day (i) on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session, or (ii) on which a Market Disruption Event has occurred;
- (b) a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) any Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred;
- (c) a Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption); and
- (d) a Commodity Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

**"Early Closure"** means the closure on any Exchange Business Day of the Exchange in respect of any component security of the Index or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may

be, on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**"Exchange"** means, in respect of:

- (a) a Single-Exchange Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);
- (b) a Multi-Exchange Index, in relation to each component security of that Index, the principal stock exchange on which such component security is principally traded, as determined by the Calculation Agent; and
- (c) a Commodity Index, the exchange or quotation system or any substitute exchange or quotation system in which trading of the futures or options contracts in the Commodity Index or its components principally occurs or the exchange or quotation system where trading has a material effect on the overall market for futures or options contracts relating to the Commodity Index or its components, in each case as determined by the Issuer, acting in good faith.

**"Exchange Business Day"** means, in respect of (a) a Single-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time, or (b) a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index, and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (a) any component security of an Index on the Exchange in respect of such component security, or (b) futures or options contracts relating to the Index on any Related Exchange.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Imposition of Limit Price"** means the settlement price for any component included in a Commodity Index is a "limit price" which means that the settlement price for such component for a day has increased or decreased from the previous day's settlement price by the maximum amount permitted under the rules of the relevant any exchange or principal trading market.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Index"** means, subject to adjustment in accordance with these Index Linked Terms, the index or Commodity Index specified in the relevant Final Terms and related expressions shall be construed accordingly.

**"Index Level"** means, in respect of an Index and any relevant day, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the relevant Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time) on a Value Determination Date.

**"Index Sponsor"** means, in respect of an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

**"Latest Determination Date"** means, in respect of a Commodity Index, and a Value Determination Date, and all components included in such Commodity Index on such Value Determination Date, if (a) no Market Disruption Event has occurred for any such component on such Value Determination Date, such Value Determination Date, or (b) if a Market Disruption Event has occurred for one or more such components on such Value Determination Date, the Commodity Component Determination Date to fall latest in time.

**"Market Disruption Event"** means, in respect of an Index that is:

- (a) a Single-Exchange Index:
  - (i) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time:
    - (A) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (I) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (II) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (B) of any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (I) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (II) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
  - (ii) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

- (b) a Multi-Exchange Index, the occurrence or existence, in respect of a component security of such Index of:
  - (i) a Trading Disruption in respect of such component security which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such component security;
  - (ii) an Exchange Disruption in respect of such component security which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such component security; or
  - (iii) an Early Closure in respect of such component security, which the Calculation Agent determines is material,and, in each case, the aggregate of all component securities in respect of such Index for which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
- (c) a Proprietary Index, the failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication; or
- (d) a Commodity Index, the occurrence of any of the following events:
  - (i) Price Source Disruption;
  - (ii) Trading Suspension;
  - (iii) Disappearance of Price;
  - (iv) Material Change in Formula;
  - (v) Material Change in Content;
  - (vi) Tax Disruption;
  - (vii) Trading Limitation; or
  - (viii) Imposition of Limit Price,

in each case, if so specified in the relevant Final Terms.

For the purpose of determining whether a Market Disruption Event exists in relation to a Single-Exchange Index or a Multi-Exchange Index or in respect of a component security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such component security at that time, then the relevant percentage contribution of that security or component security, as the case may be, to the level of that Index shall be based on a comparison of (a) the portion of the level of that Index attributable to that security or component security, as the case may be, and (b) the overall level of that Index, in each case either (x) except where the relevant Index is specified in the relevant Final Terms as being a Single-Exchange Index, immediately before the occurrence of such Market Disruption Event, or (y) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

**"Material Change in Content"** means the occurrence since the Trade Date of a material change in the content or composition of a Commodity Index or any component of the Commodity Index.



**"Material Change in Formula"** means the occurrence since the Trade Date of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the price of a component of a Commodity Index.

**"Maximum Days of Disruption"** means, in respect of, (a) an Index other than a Commodity Index, eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms, or (b) a Commodity Index, five Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"Multi-Exchange Index"** means any Index specified as such in the relevant Final Terms.

**"Price Source Disruption"** means the failure by the Exchange to announce or publish the level of the Commodity Index or the price of any of its components (or the information necessary for determining such level(s) or price(s)) or the temporary or permanent discontinuance or unavailability of such level(s) or price(s) by the Exchange.

**"Proprietary Index"** means any Index specified as such in the relevant Final Terms.

**"Related Exchange"** means, in respect of an Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where **"All Exchanges"** is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or option contracts relating to such Index.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security or any constituent of such reference asset is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset or any constituent of such reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;

- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means, in respect of:

- (a) a Single-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;
- (b) a Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index, (ii) each Related Exchange is scheduled to be open for trading for its regular trading session, and (iii) no more than 20 per cent. of the component securities that comprise the level of such Index are scheduled to be unavailable for trading on the relevant Exchange(s) by virtue of such day not being a day upon which any such relevant Exchange is scheduled to be open for trading for its regular trading sessions;
- (c) a Proprietary Index, any day on, or, as the case may be, in respect of which, the Index Sponsor is scheduled to publish the level of such Index; or
- (d) a Commodity Index, any day on, or, as the case may be, in respect of which, the Index Sponsor is scheduled to publish the level of such Index.

**"Scheduled Value Determination Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Value Determination Date.

**"Single-Exchange Index"** means any Index specified as such in the relevant Final Terms.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Tax Disruption"** means the imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, a Commodity Index or any of its components (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the level of the Commodity Index or the price of any of its components on a Value Determination Date and/or on each of the three Scheduled Trading Days following such a Value Determination Date, as the case may be, from what it would have been without that imposition, change or removal.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any component security of an Index on the Exchange in respect of such component security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

**"Trading Limitation"** means the material limitation imposed on trading in a Commodity Index or any of its components on any exchange or principal trading market.

**"Trading Suspension"** means the material suspension of trading on the Exchange in respect of a Commodity Index.

**"Valuation Time"** means, in respect of:

- (a) a Single-Exchange Index (other than the AEX Index), the relevant time specified in the relevant Final Terms or if no relevant time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Value Determination Date in relation to such Index. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;
- (b) a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a component security of an Index, the Scheduled Closing Time on the relevant Exchange, and (B) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;
- (c) a Proprietary Index, the time at which or in respect of which the Index Sponsor calculates and publishes the official closing level of the Index;
- (d) a Commodity Index, the time with reference to which the Index Sponsor calculates the closing level of the Index; or
- (e) the AEX Index, the time with reference to which the Index Sponsor calculates the exchange delivery settlement price (being the average of the prices of the AEX Index calculated at one minute intervals between 3:30 p.m. and 4:00 p.m., Amsterdam time).

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.

## INDEX FUTURES CONTRACT LINKED TERMS

### 1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date is a Disrupted Day, such Value Determination Date shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its good faith estimate of the value of such Index Futures Contract as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Official Settlement Price in respect of such Value Determination Date.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Term 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Value Determination Date. Without limiting the obligation of the Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

### 2. Corrections to published prices

If Correction of Official Settlement Price is specified as applicable in the relevant Final Terms and the price of an Index Futures Contract published on any Value Determination Date is subsequently corrected and the correction (the "**Corrected Official Settlement Price**") is published or announced by the relevant Exchange prior to the Correction Cut-Off Date, then such Corrected Official Settlement Price shall be deemed to be the relevant price for such Index Futures Contract for such Value Determination Date and the Calculation Agent shall use such Corrected Official Settlement Price in determining any relevant amount payable under the Securities.

### 3. Consequences of Additional Disruption Events

If an Additional Disruption Event occurs, the Issuer may take the action described in (a) or (b) below:

- (a) require the Calculation Agent to (i) determine the appropriate adjustment, if any, to be made to any one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities to account for the Additional Disruption Event, and (ii) determine the effective date of that adjustment; or
- (b) determine that no adjustment that it could make under (a) above will produce a commercially reasonable result, and notify the Holders in accordance with General Term 15 (*Notices*) that the relevant consequence shall be the early redemption of the Securities, in which event the Issuer shall terminate the Securities and cause to be paid to each Holder in respect of each Security held by it an amount equal to the Unscheduled Early Termination Amount of such Securities.

#### 4. Definitions

**"Additional Disruption Event"** means (a) Relevant Currency Disruption, and (b) any of Change in Law, Hedging Disruption and Increased Cost of Hedging, in each case if specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the relevant Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of any Hedge Position, or (y) the Issuer will incur a materially increased cost in performing its obligations in relation to any Hedge Position (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

**"Correction Cut-Off Date"** means the date specified as such in the relevant Final Terms or if no date is specified in the relevant Final Terms, the second Business Day prior to the next following date on which any payment is scheduled to be made by the Issuer by reference to the price of the Index Futures Contract.

**"Disappearance of Price"** means, in respect of an Index Futures Contract, the failure of trading to commence, or the permanent discontinuation of trading of the Index Futures Contract on the Exchange.

**"Disrupted Day"** means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**"Exchange"** means, in respect of an Index Futures Contract, the principal exchange or trading market on which such Index Futures Contract is traded.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer and/or any of its affiliates deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Index"** means, subject to adjustment in accordance with these Index Futures Contract Linked Terms, the index specified in the relevant Final Terms and related expressions shall be construed accordingly.

**"Index Futures Contract"** means, in respect of an Index, any futures, options or other derivatives contract (each, for this purpose, a "**contract**") relating to that Index specified in the relevant Final Terms or such substitute contract that replaces such contract (or any substitute of such contract) pursuant to the terms of the Securities.

**"Market Disruption Event"** means the occurrence of any of the following events:

- (a) Price Source Disruption;
- (b) Trading Suspension;
- (c) Disappearance of Price;
- (d) Material Change in Formula;
- (e) Material Change in Content;
- (f) Tax Disruption;
- (g) Trading Limitation,

in each case, if so specified in the relevant Final Terms.

**"Material Change in Content"** means the occurrence since the Trade Date of a material change in the content or composition of the Official Settlement Price of the relevant Index Futures Contract.

**"Material Change in Formula"** means the occurrence since the Trade Date of a material change in the basis for (including, but not limited to, the quantity, quality or currency), or method of, calculating the Official Settlement Price of the relevant Index Futures Contract.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

**"Official Settlement Price"** means, in respect of an Index Futures Contract and any day, the official settlement price of such Index Futures Contract published by the Exchange on such day.

**"Price Source Disruption"** means the failure by the Exchange to announce or publish the Official Settlement Price (or the information necessary for determining such price), or the temporary or permanent discontinuance or unavailability of such price by the Exchange.

**"Relevant Currency"** means, unless otherwise specified in the relevant Final Terms, the Settlement Currency, the lawful currency in which the reference asset of the Security or any constituent of such reference asset is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which a reference asset or any constituent of such reference asset is located, provided that Relevant Currency shall not include any lawful currency that is a Standard Currency.

**"Relevant Currency Disruption"** means each of the following events (as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner):

- (a) a general moratorium is declared in respect of banking activities in the country in which the Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the interbank market;
- (c) the occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;

- (d) it is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (e) a change in law occurs in the country of the principal financial centre of the Relevant Currency which may (directly or indirectly) affect the ownership in and/or the transferability of the Relevant Currency;
- (f) the dissolution or replacement of the Relevant Currency with another currency; or
- (g) any other event similar to any of the above occurs, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

**"Relevant Currency Exchange Rate"** means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

**"Scheduled Trading Day"** means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time.

**"Scheduled Value Determination Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Value Determination Date.

**"Standard Currency"** means, unless otherwise specified in the definition of the relevant Series in the relevant Final Terms, the euro and the lawful currency of Australia, Canada, Denmark, Hong Kong, Japan, New Zealand, Norway, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time.

**"Tax Disruption"** means the imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Index Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Official Settlement Price on a Value Determination Date and/or on each of the three Scheduled Trading Days following such Value Determination Date from what it would have been without that imposition, change or removal.

**"Trade Date"** means the date specified as such in the relevant Final Terms.

**"Trading Limitation"** means that a material limitation has been imposed on trading in the relevant Index Futures Contract with respect to it or any contract with respect to it on any exchange or principal trading market.

**"Trading Suspension"** means the material suspension of trading on the Exchange.

**"Valuation Time"** means the time specified as such in the relevant Final Terms, or if no time is specified in the relevant Final Terms, the close of trading on the Exchange.

**"Value Determination Date"** means the date or dates specified as such in the relevant Final Terms, or if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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**PAYOUT TERMS**

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**GENERAL TURBO PAYOUT TERMS**

The terms and conditions set out in these General Turbo Payout Terms shall apply to Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates, Currency Turbo Short Certificates, Fund Turbo Long Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Long Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates and Single Stock Turbo Short Certificates.

**1. Rights and Procedures**

- (a) Exercise by Holder. Provided that no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by the Holder by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Issuer Call. Provided that no Stop Loss Event has occurred, the Issuer may terminate the Securities, in whole but not in part, on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Term 15 (*Notices*), and shall specify the Issuer Call Date.
- (c) Early Termination for Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically and the Issuer shall give notice to Holders in accordance with General Term 15 (*Notices*), provided that failure by the Issuer to give notice shall not affect the validity of the occurrence and effect of such Stop Loss Event. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs on or prior to an Issuer Call Date or Valuation Date, as the case may be.
- (d) Settlement. Each Security, upon due Exercise or termination pursuant to an Issuer Call or following the occurrence of a Stop Loss Event, as the case may be, entitles its holder to receive the Cash Amount from the Issuer on the Settlement Date.

**2. Cash Amount**

The "**Cash Amount**" payable by the Issuer in respect of each Security on the Settlement Date shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are terminated pursuant to an Exercise in accordance with General Turbo Payout Term 1(a) (*Exercise by Holder*), an amount (the "**Exercise Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Turbo Long Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
$$[(\text{Final Reference Price} - \text{Final Current Financing Level}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$



- (ii) if the Securities are Turbo Short Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Final Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
- (b) if the Securities are terminated pursuant to an Issuer Call in accordance with General Turbo Payout Term 1(b) (*Issuer Call*), an amount (the "**Issuer Call Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Turbo Long Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Termination Reference Price} - \text{Termination Current Financing Level}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Turbo Short Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Termination Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
- (c) if the Securities are terminated following the occurrence of a Stop Loss Event in accordance with General Turbo Payout Term 1(c) (*Early Termination for Stop Loss Event*), an amount (the "**Stop Loss Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Turbo Long Certificates, the Stop Loss Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Stop Loss Termination Reference Price} - \text{Stop Loss Current Financing Level}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Turbo Short Certificates, the Stop Loss Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Stop Loss Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times \text{Entitlement}] - \text{Expenses}.$$

If the Financing Level Currency is different to the Settlement Currency, then the Cash Amount shall be converted into the Settlement Currency at the Relevant Exchange Rate.

### 3. Definitions

For the purposes of these General Turbo Payout Terms, the following words and expressions shall have the following meanings:

**"Calculation Period"** means, in respect of any Scheduled Trading Day other than the Trade Date, the period from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day.

**"Current Financing Level"** means, in respect of any Scheduled Trading Day, an amount (which shall be a monetary value in the Financing Level Currency, and which may be

negative) determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are Index Turbo Long Certificates or Index Turbo Short Certificates, an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on the immediately preceding Scheduled Trading Day; *plus*
  - (ii) the Funding Cost on such day; *minus*
  - (iii) if the relevant Final Terms specifies that "Notional Dividend Amount" is applicable, the Notional Dividend Amount, otherwise, this paragraph (iii) shall be disregarded in the calculation of the Current Financing Level; or
- (b) if the Securities are Fund Turbo Long Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on the immediately preceding Scheduled Trading Day; *plus*
  - (ii) the Funding Cost on such day; *minus*
  - (iii) the Notional Dividend Amount; or
- (c) if the Securities are Commodity Futures Contract Turbo Short Certificates, Government Bond Futures Contract Turbo Short Certificates or Index Futures Contract Turbo Short Certificates, an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on the immediately preceding Scheduled Trading Day; *minus*
  - (ii) the Funding Cost on such day; *minus*
  - (iii) if such day is a Rollover Effective Date, the Rollover Spread for such day; or
- (d) if the Securities are Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates or Currency Turbo Short Certificates, an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on the immediately preceding Scheduled Trading Day; *plus*
  - (ii) the Funding Cost on such day; or
- (e) if the Securities are Commodity Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Long Certificates, an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on the immediately preceding Scheduled Trading Day; *plus*
  - (ii) the Funding Cost on such day; *minus*
  - (iii) if such day is a Rollover Effective Date, the Rollover Spread for such day.

The Current Financing Level on the Trade Date shall be the level specified as such in the relevant Final Terms.

**"Current Spread"** means, in respect of any Scheduled Trading Day, the rate (expressed as a per annum percentage rate) determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, having regard to the Financing Level Currency, the prevailing market conditions (including, but not limited to, the liquidity of the global financial markets, the availability and cost of capital and credit, interest rates, the imposition or announcement of any legislation or regulation, which require higher capital ratio requirements for banks) and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date (provided that if, the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that at any time the market rate for hedging the Securities with futures materially exceeds such market rate as at the Trade Date, (a) the Calculation Agent may increase the Current Spread to reflect this change, or (b) the Calculation Agent may, in its discretion, determine that such event results in the occurrence of an Increased Cost of Hedging (if applicable) instead).

The Current Spread on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Current Stop Loss Premium"** means, in respect of each Reset Date, an amount in the Financing Level Currency determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, having regard to the current market conditions (including, but not limited to, market volatility). The Current Stop Loss Premium (subject to any rounding in accordance with the Stop Loss Rounding Convention) shall not be less than the Minimum Premium nor greater than the Maximum Premium of the Current Financing Level on such Reset Date.

The Current Stop Loss Premium on the Trade Date shall be the *product* of (a) the Current Stop Loss Premium Rate, and (b) the Current Financing Level on the Trade Date.

**"Current Stop Loss Premium Rate"** means the rate specified as such in the relevant Final Terms.

**"Entitlement"** means the number specified as such in the relevant Final Terms.

**"Exchange Rate"** means, in respect of any day, (a) if the Financing Level Currency is the same as the Settlement Currency, not applicable, or (b) if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency at the relevant time on such day, as specified in the relevant Final Terms and quoted on the Exchange Rate Price Source, as determined by the Calculation Agent.

**"Exchange Rate Price Source"** means, (a) for the purposes of converting the Exercise Cash Amount or the Issuer Call Cash Amount, as the case may be, into the Settlement Currency, the screen page or price source specified as such in the relevant Final Terms or if such screen page or price source is not available at any relevant time, then such screen page, price source or other source as determined by the Calculation Agent to be appropriate at such time, acting in good faith and in a commercially reasonable manner, or (b) for the purposes of converting the Stop Loss Cash Amount into the Settlement Currency, such price source as determined by the Calculation Agent to be appropriate at such time, acting in good faith and in a commercially reasonable manner.

**"Exercise"** means a Holder's right to exercise the Securities, in accordance with General Turbo Payout Term 1(a) (*Exercise by Holder*).

**"Exercise Date"** means, subject to a Stop Loss Event, the number of Business Days preceding the Scheduled Valuation Date specified in the relevant Final Terms, or if no number is specified in the relevant Final Terms, the third Business Day preceding the Scheduled

Valuation Date (provided that where relevant, the Calculation Agent may in its discretion, acting in good faith and in a commercially reasonable manner, determine that each such Business Day shall also be a Securities Trading Day).

**"Exercise Time"** means the time specified as such in the relevant Final Terms.

**"Final Current Financing Level"** means the Current Financing Level on or around the Valuation Date, as determined by the Calculation Agent.

**"Final Reference Price"** means the Reference Price of the Reference Asset on the Valuation Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Financing Level Currency"** means the currency specified as such in the relevant Final Terms.

**"Funding Cost"** means, in respect of any Scheduled Trading Day, an amount determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are Commodity Turbo Long Certificates, Fund Turbo Long Certificates, Index Turbo Long Certificates or Single Stock Turbo Long Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *plus* (B) the Current Spread on such Scheduled Trading Day; *multiplied by*
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied by*
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided by* (B) 360; or
- (b) if the Securities are Commodity Turbo Short Certificates, Index Turbo Short Certificates or Single Stock Turbo Short Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *minus* (B) the Current Spread on such Scheduled Trading Day; *multiplied by*
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied by*
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided by* (B) 360; or
- (c) if the Securities are Currency Turbo Long Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *plus* (B) the Current Spread on such Scheduled Trading Day, *minus* (C) the Prevailing Rate for the Settlement Currency on such Scheduled Trading Day (or if the relevant Final Terms specify an Underlying Currency, the Prevailing Rate for the Underlying Currency on such Scheduled Trading Day); *multiplied by*

- (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied by*
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided by* (B) 360; or
- (d) if the Securities are Currency Turbo Short Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *minus* (B) the Current Spread on such day, *minus* (C) the Prevailing Rate for the Settlement Currency on such Scheduled Trading Day (or if the relevant Final Terms specify an Underlying Currency, the Prevailing Rate for the Underlying Currency on such Scheduled Trading Day); *multiplied by*
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied by*
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided by* (B) 360; or
- (e) if the Securities are Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates, an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Spread on such Scheduled Trading Day; *multiplied by*
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied by*
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided by* (B) 360.

**"Issuer Call"** means termination of the Securities by the Issuer in accordance with General Turbo Payout Term 1(b) (*Issuer Call*).

**"Issuer Call Commencement Date"** means the date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the first Business Day following the Issue Date.

**"Issuer Call Date"** means the date specified as such in the notice delivered by the Issuer in accordance with General Turbo Payout Term 1(b) (*Issuer Call*), and such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

**"Issuer Call Notice Period"** means the time period specified as such in the relevant Final Terms, or if no time period is specified in the relevant Final Terms, "Issuer Call Notice Period" shall mean, in respect of (a) all Securities (other than Single Stock Turbo Short Certificates or Commodity Turbo Short Certificates linked to palladium or platinum), three months, or (b) Single Stock Turbo Short Certificates or Commodity Turbo Short Certificates linked to palladium or platinum only, one day.

**"Maximum Premium"** means the rate (expressed as a percentage) specified as such in the relevant Final Terms.

**"Minimum Premium"** means the rate (expressed as a percentage) specified as such in the relevant Final Terms.

**"Notional Dividend Amount"** means, in respect of Securities which are:

- (a) Index Turbo Long Certificates or Index Turbo Short Certificates, if the relevant Final Terms specify "Notional Dividend Amount" to be applicable, an amount determined by the Calculation Agent as equal to the sum of the cash dividends and/or other cash distributions declared in respect of each component security included in the Index which has an ex-dividend date occurring during the Notional Dividend Period or a percentage thereof in accordance with the Issuer's hedging position, provided that (i) in respect of Index Turbo Long Certificates, such amount shall be net of applicable withholding taxes at a rate adjusted by application of any relevant tax treaty without regard to any tax credits, and (ii) in respect of Index Turbo Short Certificates, such amount shall be without regard to any withholding tax or other deductions multiplied by the prevailing dividend percentage payable under market standard stock borrow agreements, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner; or
- (b) Fund Turbo Long Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, an amount determined by the Calculation Agent as equal to the aggregate of the cash dividends and/or other cash distributions declared in respect of the Equity or Fund Share, as the case may be, which has an ex-dividend date occurring during the Notional Dividend Period or a percentage thereof in accordance with the Issuer's hedging position, provided that (i) in respect of Fund Turbo Long Certificates or Single Stock Turbo Long Certificates, such amount shall be net of applicable withholding taxes at a rate adjusted by application of any relevant tax treaty without regard to any tax credits, and (ii) in respect of Single Stock Turbo Short Certificates, such amount shall be without regard to any withholding tax or other deductions multiplied by the prevailing dividend percentage payable under market standard stock borrow agreements, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

If the currency of the Notional Dividend Amount is different to the Financing Level Currency, the Notional Dividend Amount shall be converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financing Level Currency and the relevant currency, as determined by the Calculation Agent.

**"Notional Dividend Period"** means, in respect of any Scheduled Trading Day and Fund Turbo Long Certificates, Index Turbo Long Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, the period from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day.

**"Prevailing Rate"** means, in respect of any Scheduled Trading Day and the Financing Level Currency, the Settlement Currency, or the Underlying Currency, as the case may be, the rate, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, for deposits in such Financing Level Currency, Settlement Currency or Underlying Currency, as the case may be, in the interbank market with a maturity of either three months, one month or overnight, as selected by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

**"Reference Asset"** means, in respect of:

- (a) Commodity Futures Contract Turbo Long Certificates or Commodity Futures Contract Turbo Short Certificates, (i) the Futures Contract relating to the Commodity, or (ii) the Futures Contract with a specified expiration relating to the Commodity as at the Trade Date, as replaced on each Rollover Effective Date by a Futures Contract with a later expiration relating to the Commodity (such asset, the **"Substitute Asset"**) selected by the Issuer (and such Substitute Asset shall be the Reference Asset following such replacement on such Rollover Effective Date), in each case, as specified in the relevant Final Terms; or

- (b) Commodity Turbo Long Certificates or Commodity Turbo Short Certificates, the Commodity specified in the relevant Final Terms; or
- (c) Index Turbo Long Certificates or Index Turbo Short Certificates, the Index or Commodity Index specified in the relevant Final Terms; or
- (d) Currency Turbo Long Certificates or Currency Turbo Short Certificates, the Currency Exchange Rate specified in the relevant Final Terms; or
- (e) Fund Turbo Long Certificates, the Fund (which may be an ETF) specified in the relevant Final Terms; or
- (f) Government Bond Futures Contract Turbo Long Certificates or Government Bond Futures Contract Turbo Short Certificates, the Government Bond Futures Contract specified in the relevant Final Terms as at the Trade Date, as replaced on each Rollover Effective Date by a contract with a later expiration relating to the relevant Government Bond (such asset, the "**Substitute Asset**") selected by the Issuer (and such Substitute Asset shall be the Reference Asset following such replacement on such Rollover Effective Date), in each case, as specified in the relevant Final Terms; or
- (g) Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates, the Index Futures Contract specified in the relevant Final Terms as at the Trade Date, as replaced on each Rollover Effective Date by (i) the next serially contract month, or (ii) the most liquid contract month, in the cycle (such contract, the "**Substitute Asset**") selected by the Issuer (and such Substitute Asset shall be the Reference Asset following such replacement on such Rollover Effective Date); or
- (h) Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, the Equity specified in the relevant Final Terms.

**"Reference Price"** means, in respect of any day and Securities which are:

- (a) Commodity Futures Contract Turbo Long Certificates or Commodity Futures Contract Turbo Short Certificates, the Commodity Reference Price on such day. For the avoidance of doubt, such price shall not be the value of the Futures Contract but shall be equal to the value of the Futures Contract, divided by the applicable contract factor (being the value of one Futures Contract point); or
- (b) Commodity Turbo Long Certificates or Commodity Turbo Short Certificates, the Commodity Reference Price on such day; or
- (c) Index Turbo Long Certificates or Index Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Index Level of the Reference Asset on such day; or
- (d) Currency Turbo Long Certificates or Currency Turbo Short Certificates, the Currency Price of the Reference Asset on such day; or
- (e) Fund Turbo Long Certificates, the Fund Share Price of the Reference Asset on such day; or
- (f) Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates, the Official Settlement Price of the Reference Asset on such day. For the avoidance of doubt, such price shall not be the value of the relevant contract but shall be equal to the value of the relevant contract, divided by the applicable contract factor (being the value of one contract point); or

- (g) Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, the Equity Price of the Reference Asset on such day,

in each case, without regard to any subsequently published correction.

**"Relevant Exchange Rate"** means, in respect of:

- (a) the Exercise Cash Amount, the Exchange Rate on or around the Valuation Date;
- (b) the Issuer Call Cash Amount, the Exchange Rate on or around the Issuer Call Date; or
- (c) the Stop Loss Cash Amount, the Exchange Rate on or around the Stop Loss Termination Date,

provided that if no Exchange Rate is available on any such day, the Calculation Agent shall determine the Relevant Exchange Rate for such day in its discretion, acting in good faith and in a commercially reasonable manner, taking into account all information that it deems relevant.

**"Reset Date"** means each of the following dates:

- (a) the Trade Date; and
- (b) each day in each calendar month specified as such in the relevant Final Terms, provided that (i) if such day is not a Business Day, the Reset Date shall be the next following Business Day, and (ii) in respect of Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates only, if a Rollover Date occurs in such month, the Reset Date shall be Rollover Effective Date; and
- (c) in respect of Government Bond Futures Contract Turbo Long Certificates or Government Bond Futures Contract Turbo Short Certificates only, if a Rollover Date occurs in the scheduled month for delivery of the Reference Asset, the Reset Date shall be the Rollover Effective Date; and
- (d) each additional Business Day determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

**"Rollover Date"** means, in respect of:

- (a) Commodity Futures Contract Turbo Long Certificates or Commodity Futures Contract Turbo Short Certificates, a Scheduled Trading Day selected by the Calculation Agent which is at least ten Scheduled Trading Days prior to the earlier of (i) the first notice date of the Reference Asset, and (ii) the last day on which trading may take place in respect of the Reference Asset; or
- (b) Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates, a Scheduled Trading Day selected by the Calculation Agent which falls within the ten Scheduled Trading Days prior to the last day on which trading may take place in respect of the Reference Asset; or
- (c) Government Bond Futures Contract Turbo Long Certificates or Government Bond Futures Contract Turbo Short Certificates, the third Scheduled Trading Day prior to the first date on which notice to deliver the Reference Asset may be given in accordance with the rules of the relevant Exchange.

**"Rollover Effective Date"** means, in respect of a Rollover Date, the Business Day immediately following such Rollover Date.



**"Rollover Spread"** means, in respect of Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Short Certificates, an amount (which may be negative) determined by the Calculation Agent as (a) the price determined by the Issuer for liquidating its related hedging arrangements for the Reference Asset, *minus* (b) the price determined by the Issuer for establishing its related hedging arrangements for the Substitute Asset during the substitution of the Reference Asset for the Substitute Asset by reference to liquidity in the Reference Asset and the Substitute Asset.

**"Scheduled Valuation Date"** means the original date, prior to any adjustment, if any, on which the relevant Valuation Date is scheduled to fall.

**"Securities Exchange"** means the exchange or quotation system specified as such in the relevant Final Terms.

**"Securities Trading Day"** means any day that is (or, but for the occurrence of a disruption event, would have been) a trading day on the Securities Exchange.

**"Settlement Date"** means the day falling not later than the tenth Business Day or such other number of Business Days specified in the relevant Final Terms following, in respect of the payment of (a) an Exercise Cash Amount, the Valuation Date (or the Latest Determination Date in respect of such date, if applicable), (b) a Stop Loss Cash Amount, the last day of the Stop Loss Termination Valuation Period, and (c) an Issuer Call Cash Amount, the Issuer Call Date (or the Latest Determination Date in respect of such date, if applicable).

**"Stop Loss Current Financing Level"** means the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, as determined by the Calculation Agent.

**"Stop Loss Event"** means (and a Stop Loss Event shall be deemed to have occurred if):

- (a) in respect of Securities which are Turbo Long Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the Stop Loss Reset Time or at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, less than or equal to the Stop Loss Price on the immediately preceding Stop Loss Reset Date (or if such day is a Stop Loss Reset Date, such Stop Loss Reset Date); or
- (b) in respect of Securities which are Turbo Short Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the Stop Loss Reset Time or at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Price on the immediately preceding Stop Loss Reset Date (or if such day is a Stop Loss Reset Date, such Stop Loss Reset Date).

**"Stop Loss Event Price"** means, in respect of any day and Securities which are:

- (a) Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates or Commodity Turbo Short Certificates, the Commodity Reference Price as of the relevant time on such day; or
- (b) Index Turbo Long Certificates or Index Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Reference Asset published by the Index Sponsor as of the relevant time on such day; or

- (c) Currency Turbo Long Certificates or Currency Turbo Short Certificates, the Currency Price of the Reference Asset as of the relevant time on such day; or
- (d) Fund Turbo Long Certificates, (i) where the Reference Asset is a Fund, the Reference Price of the Reference Asset on such day, or (ii) where the Reference Asset is an ETF, the price of the Reference Asset on the Exchange as of the relevant time on such day; or
- (e) Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, the price of the Reference Asset on the Exchange as of the relevant time on such day; or
- (f) Government Bond Futures Contract Turbo Long Certificates or Index Futures Contract Turbo Long Certificates, the low price of the Reference Asset on the Exchange on such day; or
- (g) Government Bond Futures Contract Turbo Short Certificates or Index Futures Contract Turbo Short Certificates, the high price of the Reference Asset on the Exchange on such day.

**"Stop Loss Price"** means, in respect of each Stop Loss Reset Date, an amount calculated by the Calculation Agent at the Stop Loss Reset Time on such Stop Loss Reset Date in accordance with the applicable paragraph below:

- (a) if the Securities are Turbo Long Certificates, the Stop Loss Price shall be equal to an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on or around such Stop Loss Reset Date; *plus*
  - (ii) the Current Stop Loss Premium on or around such Stop Loss Reset Date; or
- (b) if the Securities are Turbo Short Certificates, the Stop Loss Price shall be equal to an amount determined by the Calculation Agent in accordance with the following formula:
  - (i) the Current Financing Level on or around such Stop Loss Reset Date; *minus*
  - (ii) the Current Stop Loss Premium on or around such Stop Loss Reset Date.

The Stop Loss Price shall be rounded in accordance with the Stop Loss Rounding Convention. The Stop Loss Price on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Stop Loss Reset Date"** means (a) each day in each calendar month specified as such in the relevant Final Terms, provided that if such day is not a Business Day or a Securities Trading Day, the Stop Loss Reset Date will be postponed to the next following Business Day which is also a Securities Trading Day, and (b) each other day that is both a Business Day and a Securities Trading Day, as determined by the Calculation Agent.

**"Stop Loss Reset Time"** means the regular weekday opening time of the Securities Exchange.

**"Stop Loss Rounding Convention"** means, in respect of any amount, that such amount may be rounded either up or down and to the nearest number of decimal places, points, units or index points, as specified in the relevant Final Terms.

**"Stop Loss Termination Date"** means, in respect of:

- (a) Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates, Currency Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Long

Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, the first Scheduled Trading Day on which a Stop Loss Event occurs, as determined by the Calculation Agent; or

- (b) Fund Turbo Long Certificates, the day on which the Reference Price of the Reference Asset for the first Scheduled Trading Day on which a Stop Loss Event occurs is made available, as determined by the Calculation Agent.

**"Stop Loss Termination Reference Price"** means, in respect of:

- (a) Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates, Currency Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Long Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency in the case of Index Turbo Long Certificates or Index Turbo Short Certificates) equal to the fair value price of the Reference Asset, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, upon the occurrence of a Stop Loss Event, by reference to the unwinding of the Issuer's hedging position in respect of the Reference Asset on a reasonable efforts basis. The Stop Loss Termination Reference Price will be, in respect of (i) Securities which are Turbo Long Certificates, at least equal to the lowest level or price of the Reference Asset on any Scheduled Trading Day during the Stop Loss Termination Valuation Period, or (ii) Securities which are Turbo Short Certificates, at most equal to the highest level or price of the Reference Asset on any Scheduled Trading Day during the Stop Loss Termination Valuation Period; or
- (b) Fund Turbo Long Certificates, an amount equal to the volume-weighted average price of the Reference Asset at which the Issuer's hedging position in the Reference Asset was unwound during the Stop Loss Termination Valuation Period, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, on the day on which the Reference Price of the Reference Asset for the last Scheduled Trading Day during the Stop Loss Termination Valuation Period is made available, as determined by the Calculation Agent.

**"Stop Loss Termination Valuation Period"** means:

- (a) Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates, Currency Turbo Short Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Long Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, (i) the Stop Loss Termination Date, and (ii) each of the two Scheduled Trading Days (or such other number of Scheduled Trading Days specified in the relevant Final Terms) immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred; or
- (b) Fund Turbo Long Certificates, a reasonable period immediately following the Stop Loss Event, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, which shall be determined by reference to the number of Scheduled Trading Days required to redeem the Reference Asset according to the redemption procedure relating to the Reference Asset as set out in the Fund Documents (excluding any period during which a Fund Event is continuing).

**"Termination Current Financing Level"** means the Current Financing Level on or around the Issuer Call Date, as determined by the Calculation Agent.

**"Termination Reference Price"** means Reference Price of the Reference Asset on the Issuer Call Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Turbo Long Certificates"** means Commodity Futures Contract Turbo Long Certificates, Commodity Turbo Long Certificates, Currency Turbo Long Certificates, Fund Turbo Long Certificates, Government Bond Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Long Certificates, Index Turbo Long Certificates or Single Stock Turbo Long Certificates, as the case may be.

**"Turbo Short Certificates"** means Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Short Certificates, Currency Turbo Short Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Short Certificates or Single Stock Turbo Short Certificates, as the case may be.

**"Type of Certificates"** means Commodity Futures Contract Turbo Long Certificates, Commodity Futures Contract Turbo Short Certificates, Commodity Turbo Long Certificates, Commodity Turbo Short Certificates, Currency Turbo Long Certificates, Currency Turbo Short Certificates, Fund Turbo Long Certificates, Government Bond Futures Contract Turbo Long Certificates, Government Bond Futures Contract Turbo Short Certificates, Index Futures Contract Turbo Long Certificates, Index Futures Contract Turbo Short Certificates, Index Turbo Long Certificates, Index Turbo Short Certificates, Single Stock Turbo Long Certificates or Single Stock Turbo Short Certificates, as specified in the relevant Final Terms.

**"Underlying Currency"** means the currency specified as such in the relevant Final Terms, or if no currency is so specified, then such term shall be deemed to be not applicable.

**"Valuation Date"** means each date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date, and each such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

## CONSTANT LEVERAGE TURBO PAYOUT TERMS

The terms and conditions set out in these Constant Leverage Turbo Payout Terms shall apply to Constant Leverage Index Turbo Long Certificates, Constant Leverage Index Turbo Short Certificates, Constant Leverage Single Stock Turbo Long Certificates and Constant Leverage Single Stock Turbo Short Certificates.

### 1. Rights and Procedures

- (a) Exercise by Holder. Provided that no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by the Holder by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Issuer Call. Provided that no Stop Loss Event has occurred, the Issuer may terminate the Securities, in whole but not in part, on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Term 15 (*Notices*), and shall specify the Issuer Call Date.
- (c) Early Termination for Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically and the Issuer shall give notice to Holders in accordance with General Term 15 (*Notices*), provided that failure by the Issuer to give notice shall not affect the validity of the occurrence and effect of such Stop Loss Event. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs on or prior to an Issuer Call Date or Valuation Date, as the case may be.
- (d) Settlement. Each Security, upon due Exercise or termination pursuant to an Issuer Call or following the occurrence of a Stop Loss Event, as the case may be, entitles its holder to receive the Cash Amount from the Issuer on the Settlement Date.

### 2. Cash Amount

The "**Cash Amount**" payable by the Issuer in respect of each Security on the Settlement Date shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are terminated pursuant to an Exercise in accordance with Payout Term 1(a) (*Exercise by Holder*), an amount (the "**Exercise Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Constant Leverage Turbo Long Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  

$$[(\text{Final Reference Price} - \text{Final Current Financing Level}) \times \text{Current Participation Factor}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Constant Leverage Turbo Short Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  

$$[(\text{Final Current Financing Level} - \text{Final Reference Price}) \times \text{Current Participation Factor}] - \text{Expenses}; \text{ or}$$
- (b) if the Securities are terminated pursuant to an Issuer Call in accordance with Constant Leverage Turbo Payout Term 1(b) (*Issuer Call*), an amount (the "**Issuer Call Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:

- (i) if the Securities are Constant Leverage Turbo Long Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Termination Reference Price} - \text{Termination Current Financing Level}) \times \text{Current Participation Factor}] - \text{Expenses}; \text{ or}$$
- (ii) if the Securities are Constant Leverage Turbo Short Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Termination Current Financing Level} - \text{Termination Reference Price}) \times \text{Current Participation Factor}] - \text{Expenses}; \text{ or}$$
- (c) if the Securities are terminated following the occurrence of a Stop Loss Event in accordance with Constant Leverage Turbo Payout Term 1(c) (*Early Termination for Stop Loss Event*), an amount (the "**Stop Loss Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Constant Leverage Turbo Long Certificates, the Stop Loss Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Stop Loss Termination Reference Price} - \text{Stop Loss Current Financing Level}) \times \text{Current Participation Factor}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Constant Leverage Turbo Short Certificates, the Stop Loss Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:  
  

$$[(\text{Stop Loss Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times \text{Current Participation Factor}] - \text{Expenses}.$$

If the Financing Level Currency is different to the Settlement Currency, then the Cash Amount shall be converted into the Settlement Currency at the Relevant Exchange Rate.

### 3. Definitions

For the purposes of these Constant Leverage Turbo Payout Terms, the following words and expressions shall have the following meanings:

"**Certificate Fee**" means the rate (expressed as a per annum percentage rate) specified as such in the relevant Final Terms.

"**Constant Leverage Turbo Long Certificates**" means Constant Leverage Index Turbo Long Certificates or Constant Leverage Single Stock Turbo Long Certificates, as the case may be.

"**Constant Leverage Turbo Short Certificates**" means Constant Leverage Index Turbo Short Certificates or Constant Leverage Single Stock Turbo Short Certificates, as the case may be.

"**Current Financing Level**" means, in respect of any day, an amount (which shall be a monetary value in the Financing Level Currency) determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are Constant Leverage Turbo Long Certificates, an amount determined by the Calculation Agent in accordance with the following formula:

$$CFL_t = \left( 1 - \left( \frac{1}{TLF} \right) \right) \times RP_{t-1} + FC_t - D_t$$

Where:

"**CFL<sub>t</sub>**" means the Current Financing Level on such day;

"**D<sub>t</sub>**" means, if the relevant Final Terms specifies that "Notional Dividend Amount" is applicable, the Notional Dividend Amount, otherwise, zero;

"**FC<sub>t</sub>**" means the Funding Cost on such day;

"**RP<sub>t-1</sub>**" means the Reference Price of the Reference Asset on the immediately preceding Scheduled Trading Day; and

"**TLF**" means the Target Leverage Factor; or

- (b) if the Securities are Constant Leverage Turbo Short Certificates, an amount determined by the Calculation Agent in accordance with the following formula:

$$CFL_t = \left( 1 + \left( \frac{1}{TLF} \right) \right) \times RP_{t-1} + FC_t - D_t$$

Where:

"**CFL<sub>t</sub>**" means the Current Financing Level on such day;

"**D<sub>t</sub>**" means, if the relevant Final Terms specifies that "Notional Dividend Amount" is applicable, the Notional Dividend Amount, otherwise, zero;

"**FC<sub>t</sub>**" means the Funding Cost on such day;

"**RP<sub>t-1</sub>**" means the Reference Price of the Reference Asset on the immediately preceding Scheduled Trading Day; and

"**TLF**" means the Target Leverage Factor.

The Current Financing Level on the Trade Date shall be the level specified as such in the relevant Final Terms.

"**Current Participation Factor**" means a number calculated on each Scheduled Trading Day in accordance with the following formula:

$$CPF_t = \frac{SV_{t-1}}{RP_{t-1} / TLF}$$

Where:

"**CPF<sub>t</sub>**" means the Current Participation Factor on such Scheduled Trading Day;

"**RP<sub>t-1</sub>**" means the Reference Price of the Reference Asset on the immediately preceding Scheduled Trading Day;

"**SV<sub>t-1</sub>**" means the Security Value at the Valuation Time on the immediately preceding Scheduled Trading Day, and if the Financing Level Currency is different to the Settlement Currency, such value shall be converted into the Financing Level Currency at the prevailing Exchange Rate; and

"**TLF**" means the Target Leverage Factor.

The Current Participation Factor on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Current Spread"** means, in respect of any Scheduled Trading Day, the rate (expressed as a per annum percentage rate) determined by the Calculation Agent, having regard to the Financing Level Currency, the prevailing market conditions (including, but not limited to, the liquidity of the global financial markets, the availability and cost of capital and credit, interest rates, the imposition or announcement of any legislation or regulation, which require higher capital ratio requirements for banks) and such other factors as the Calculation Agent determines to be relevant. The Current Spread shall not be greater than the Maximum Spread (provided that if, the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that at any time the market rate for hedging the Securities with futures materially exceeds such market rate as at the Trade Date, (a) the Calculation Agent may increase the Current Spread (but not the Maximum Spread) to reflect this change, or (b) the Calculation Agent may, in its discretion, determine that such event results in the occurrence of an Increased Cost of Hedging instead).

The Current Spread on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Exchange Rate"** means, in respect of any day, (a) if the Financing Level Currency is the same as the Settlement Currency, not applicable, or (b) if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency at the relevant time on such day as specified in the relevant Final Terms and quoted on the Exchange Rate Price Source, as determined by the Calculation Agent.

**"Exchange Rate Price Source"** means, (a) for the purposes of converting the Exercise Cash Amount or the Issuer Call Cash Amount, as the case may be, into the Settlement Currency, the screen page or price source specified as such in the relevant Final Terms or if such screen page or price source is not available at any relevant time, then such screen page, price source or other source as determined by the Calculation Agent to be appropriate at such time, acting in good faith and in a commercially reasonable manner, or (b) for the purposes of converting the Stop Loss Cash Amount into the Settlement Currency, such price source as determined by the Calculation Agent to be appropriate at such time, acting in good faith and in a commercially reasonable manner.

**"Exercise"** means a Holder's right to exercise the Securities, in accordance with Constant Leverage Turbo Payout Term 1(a) (*Exercise by Holder*).

**"Exercise Date"** means, subject to a Stop Loss Event, the number of Business Days preceding the Scheduled Valuation Date specified in the relevant Final Terms, or if no number is specified in the relevant Final Terms, the third Business Day preceding the Scheduled Valuation Date (provided that where relevant, the Calculation Agent may in its discretion, acting in good faith and in a commercially reasonable manner, determine that each such Business Day shall also be a Securities Trading Day).

**"Exercise Time"** means the time specified as such in the relevant Final Terms.

**"Final Current Financing Level"** means the Current Financing Level on or around the Valuation Date, as determined by the Calculation Agent.

**"Final Reference Price"** means the Reference Price of the Reference Asset on the Valuation Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Financing Level Currency"** means the currency specified as such in the relevant Final Terms.

**"Funding Cost"** means, in respect of any Scheduled Trading Day, an amount determined by the Calculation Agent in accordance with the applicable paragraph below:



- (a) if the Securities are Constant Leverage Turbo Long Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:

$$FC_t = \left[ 1 - \left( \frac{1}{TLF} \right) \right] \times RP_{t-1} \times \left[ (Rate_{t-1} + C_{t-1} + CF) \times DCF_{(t-1,t)} \right]$$

Where:

" $c_{t-1}$ " means the Current Spread on the immediately preceding Scheduled Trading Day;

"CF" means the Certificate Fee;

" $DCF_{(t-1,t)}$ " means the number of calendar days from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day, *divided* by 360;

" $FC_t$ " means the Funding Cost on such Scheduled Trading Day;

" $Rate_{t-1}$ " means the Prevailing Rate on the immediately preceding Scheduled Trading Day;

" $RP_{t-1}$ " means the Reference Price of the Reference Asset on the immediately preceding Scheduled Trading Day; and

"TLF" means the Target Leverage Factor; or

- (b) if the Securities are Constant Leverage Turbo Short Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:

$$FC_t = \left[ 1 + \left( \frac{1}{TLF} \right) \right] \times RP_{t-1} \times \left[ (Rate_{t-1} - C_{t-1} - CF) \times DCF_{(t-1,t)} \right]$$

Where:

" $c_{t-1}$ " means the Current Spread on the immediately preceding Scheduled Trading Day;

"CF" means the Certificate Fee;

" $DCF_{(t-1,t)}$ " means the number of calendar days from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day, *divided* by 360;

" $FC_t$ " means the Funding Cost on such Scheduled Trading Day;

" $Rate_{t-1}$ " means the Prevailing Rate on the immediately preceding Scheduled Trading Day;

" $RP_{t-1}$ " means the Reference Price of the Reference Asset on the immediately preceding Scheduled Trading Day; and

"TLF" means the Target Leverage Factor.

"**Issuer Call**" means termination of the Securities by the Issuer in accordance with Constant Leverage Turbo Payout Term 1(b) (*Issuer Call*).

**"Issuer Call Commencement Date"** means the date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the first Business Day following the Issue Date.

**"Issuer Call Date"** means the date specified as such in the notice delivered by the Issuer in accordance with Constant Leverage Turbo Payout Term 1(b) (*Issuer Call*), and such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

**"Issuer Call Notice Period"** means the time period specified as such in the relevant Final Terms, or if no time period is specified in the relevant Final Terms, "Issuer Call Notice Period" shall mean, in respect of (a) all Securities (other than Constant Leverage Single Stock Turbo Short Certificates), three months, or (b) Constant Leverage Single Stock Turbo Short Certificates only, one day.

**"Maximum Spread"** means the rate (expressed as a percentage) specified as such in the relevant Final Terms.

**"Notional Dividend Amount"** means, if the relevant Final Terms specify "Notional Dividend Amount" to be applicable, an amount determined by the Calculation Agent as equal to the sum of the cash dividends and/or other cash distributions in respect of the Equity or each component security included in the Index, as the case may be, which has an ex-dividend date occurring during the Notional Dividend Period or a percentage thereof in accordance with the Issuer's hedging position, provided that (a) in respect of Constant Leverage Turbo Long Certificates, such amount shall be net of applicable withholding taxes at a rate adjusted by application of any relevant tax treaty without regard to any tax credits, and (b) in respect of Constant Leverage Turbo Short Certificates, such amount shall be without regard to any withholding tax or other deductions multiplied by the prevailing dividend percentage payable under market standard stock borrow agreements, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner. If the currency of the Notional Dividend Amount is different to the Financing Level Currency, the Notional Dividend Amount shall be converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financing Level Currency and the relevant currency, as determined by the Calculation Agent.

**"Notional Dividend Period"** means (a) the period from (but excluding) the Trade Date to (and including) the next following Scheduled Trading Day, and thereafter, (b) each period from (but excluding) a Scheduled Trading Day to (and including) the next following Scheduled Trading Day.

**"Prevailing Rate"** means, in respect of any day and the Financing Level Currency, the Settlement Currency or the Underlying Currency, as the case may be, the rate, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, for deposits in such Financing Level Currency, Settlement Currency or Underlying Currency, as the case may be, in the interbank market with a maturity of either three months, one month or overnight, as selected by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

**"Reference Asset"** means, in respect of:

- (a) Constant Leverage Index Turbo Long Certificates or Constant Leverage Index Turbo Short Certificates, the Index or Commodity Index specified in the relevant Final Terms;  
or
- (b) Constant Leverage Single Stock Turbo Long Certificates or Constant Leverage Single Stock Turbo Short Certificates, the Equity specified in the relevant Final Terms.

**"Reference Price"** means, in respect of any day and Securities which are:

- (a) Constant Leverage Index Turbo Long Certificates or Constant Leverage Index Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Index Level of the Reference Asset on such day; or
- (b) Constant Leverage Single Stock Turbo Long Certificates or Constant Leverage Single Stock Turbo Short Certificates, the Equity Price of the Reference Asset on such day,

in each case, without regard to any subsequently published correction.

**"Relevant Exchange Rate"** means, in respect of:

- (a) the Exercise Cash Amount, the Exchange Rate on or around the Valuation Date;
- (b) the Issuer Call Cash Amount, the Exchange Rate on or around the Issuer Call Date; or
- (c) the Stop Loss Cash Amount, the Exchange Rate on or around the Stop Loss Termination Date,

provided that if no Exchange Rate is available on any such day, the Calculation Agent shall determine the Relevant Exchange Rate for such day in its discretion, acting in good faith and in a commercially reasonable manner, taking into account all information that it deems relevant.

**"Scheduled Valuation Date"** means the original date, prior to any adjustment, if any, on which the relevant Valuation Date is scheduled to fall.

**"Screen Page"** means the page specified as such in the relevant Final Terms.

**"Securities Exchange"** means the exchange or quotation system specified as such in the relevant Final Terms.

**"Securities Trading Day"** means any day that is (or, but for the occurrence of a disruption event, would have been) a trading day on the Securities Exchange.

**"Security Value"** means, in respect of any day, the fair market value of one Security, as determined by the Calculation Agent and published on the Screen Page, or such other information source or page selected by the Issuer and notified to Holders from time to time in accordance with General Term 15 (*Notices*), subject to adjustment by the Calculation Agent in the event of material inaccuracy or mistake in relation to such published level or in such other circumstances as the Calculation Agent deems appropriate, acting in good faith and in a commercially reasonable manner.

**"Settlement Date"** means the day falling not later than the tenth Business Day or such other number of Business Days specified in the relevant Final Terms following, in respect of the payment of (a) an Exercise Cash Amount, the Valuation Date (or the Latest Determination Date in respect of such date, if applicable), (b) a Stop Loss Cash Amount, the last day of the Stop Loss Termination Valuation Period, and (c) an Issuer Call Cash Amount, the Issuer Call Date (or the Latest Determination Date in respect of such date, if applicable).

**"Stop Loss Current Financing Level"** means the Current Financing Level on or around the first day of the Stop Loss Termination Valuation Period, as determined by the Calculation Agent.

**"Stop Loss Event"** means (and a Stop Loss Event shall be deemed to have occurred if):

- (a) in respect of Securities which are Constant Leverage Turbo Long Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day during the Stop Loss Observation Period, less than or equal to the Stop Loss Price; or

- (b) in respect of Securities which are Constant Leverage Short Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day during the Stop Loss Observation Period, greater than or equal to the Stop Loss Price.

**"Stop Loss Event Price"** means, in respect of any day and Securities which are:

- (a) Constant Leverage Index Turbo Long Certificates or Constant Leverage Index Turbo Short Certificates, the level of the Reference Asset published by the Index Sponsor as of the relevant time on such day; or
- (b) Constant Leverage Single Stock Turbo Long Certificates or Constant Leverage Single Stock Turbo Short Certificates, the price of the Reference Asset on the Exchange as of the relevant time on such day,

and each such price or level shall be deemed to be a monetary value in the Financing Level Currency.

**"Stop Loss Observation Period"** means the period from, and including, 8:00 a.m., Central European Time on the Trade Date to (and including) the Valuation Time on the earlier of the Valuation Date or the Issuer Call Date, and other than at the Stop Loss Reset Time or at a time which there is, in the determination of the Calculation Agent, a Market Disruption Event.

**"Stop Loss Premium Rate"** means the percentage specified as such in the relevant Final Terms (expressed as a decimal), or if no percentage is specified in the relevant Final Terms, five per cent. (expressed as 0.05).

**"Stop Loss Price"** means, in respect of any Scheduled Trading Day;

- (a) if, in the determination of the Calculation Agent, no Market Disruption Event has occurred and is continuing on such Scheduled Trading Day, an amount determined by the Calculation Agent on such Scheduled Trading Day at the Stop Loss Reset Time in accordance with the following formula:
  - (i) (A) one, *minus* (B) the Stop Loss Premium Rate; *multiplied by*
  - (ii) the Reference Price on the immediately preceding Scheduled Trading Day; or
- (b) if, in the determination of the Calculation Agent, a Market Disruption Event has occurred and is continuing on such Scheduled Trading Day, the Stop Loss Price on the immediately preceding Scheduled Trading Day.

The Stop Loss Price shall be rounded in accordance with the Stop Loss Rounding Convention. The Stop Loss Price on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Stop Loss Reset Time"** means (a) the time specified as such in the relevant Final Terms, (b) the regular weekday opening time of the Exchange, or (c) such other time as the Issuer may determine in its discretion, acting in good faith and in a commercially reasonable manner, and notify to Holders in accordance with General Term 15 (*Notices*).

**"Stop Loss Rounding Convention"** means, in respect of any amount, that such amount may be rounded either up or down and to the nearest number of decimal places, points, units or index points, as specified in the relevant Final Terms.

**"Stop Loss Termination Date"** means the first Scheduled Trading Day on which a Stop Loss Event occurs, as determined by the Calculation Agent.

**"Stop Loss Termination Reference Price"** means an amount (which shall be deemed to be a monetary value in the Financing Level Currency in the case of Constant Leverage Index Turbo Long Certificates or Constant Leverage Index Turbo Short Certificates) equal to the fair value

price of the Reference Asset, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, upon the occurrence of a Stop Loss Event, by reference to the unwinding of the Issuer's hedging position in respect of the Reference Asset on a reasonable efforts basis. The Stop Loss Termination Reference Price will be, in respect of (a) Securities which are Constant Leverage Turbo Long Certificates, at least equal to the lowest level or price of the Reference Asset on any Scheduled Trading Day during the Stop Loss Termination Valuation Period, or (b) Securities which are Constant Leverage Turbo Short Certificates, at most equal to the highest level or price of the Reference Asset on any Scheduled Trading Day during the Stop Loss Termination Valuation Period.

**"Stop Loss Termination Valuation Period"** means (a) the Stop Loss Termination Date, and (b) each of the two Scheduled Trading Days (or such other number of Scheduled Trading Days specified in the relevant Final Terms) immediately following the Stop Loss Termination Date, and on which no Market Disruption Event has occurred.

**"Target Leverage Factor"** means the number specified as such in the relevant Final Terms.

**"Termination Current Financing Level"** means the Current Financing Level on or around the Issuer Call Date, as determined by the Calculation Agent.

**"Termination Reference Price"** means the Reference Price of the Reference Asset on the Issuer Call Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Type of Certificates"** means Constant Leverage Index Turbo Long Certificates, Constant Leverage Index Turbo Short Certificates, Constant Leverage Single Stock Turbo Long Certificates or Constant Leverage Single Stock Turbo Short Certificates, as specified in the relevant Final Terms.

**"Underlying Currency"** means the currency specified as such in the relevant Final Terms, or if no currency is so specified, then such term shall be deemed to be not applicable.

**"Valuation Date"** means each date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date, and each such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

## BOOSTER TURBO PAYOUT TERMS

The terms and conditions set out in these Booster Turbo Payout Terms shall apply to Commodity Booster Turbo Long Certificates, Commodity Booster Turbo Short Certificates, Currency Booster Turbo Long Certificates, Currency Booster Turbo Short Certificates, Index Booster Turbo Long Certificates and Index Booster Turbo Short Certificates.

### 1. Rights and Procedures

- (a) Exercise by Holder. Provided that no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by the Holder by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Issuer Call. Provided that no Stop Loss Event has occurred, the Issuer may terminate the Securities, in whole but not in part, on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Term 15 (*Notices*), and shall specify the Issuer Call Date.
- (c) Early Termination for Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically and the Issuer shall give notice to Holders in accordance with General Term 15 (*Notices*), provided that failure by the Issuer to give notice shall not affect the validity of the occurrence and effect of such Stop Loss Event. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs on or prior to an Issuer Call Date or Valuation Date, as the case may be.
- (d) Settlement. Each Security, upon due Exercise or termination pursuant to an Issuer Call, as the case may be, entitles its holder to receive the Cash Amount from the Issuer on the Settlement Date. For the avoidance of doubt, if the Securities are terminated following the occurrence of a Stop Loss Event, Holders shall not be entitled to any payment in respect of the Securities on the Settlement Date and the Issuer shall have no further obligations in respect thereof.

### 2. Cash Amount

The "**Cash Amount**" payable by the Issuer in respect of each Security on the Settlement Date shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are terminated pursuant to an Exercise in accordance with Booster Turbo Payout Term 1(a) (*Exercise by Holder*), an amount (the "**Exercise Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Booster Turbo Long Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:
$$[(\text{Final Reference Price} - \text{Final Current Financing Level}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Booster Turbo Short Certificates, the Exercise Cash Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:
$$[(\text{Final Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$

- (b) if the Securities are terminated pursuant to an Issuer Call in accordance with Booster Turbo Payout Term 1(b) (*Issuer Call*), an amount (the "**Issuer Call Cash Amount**") determined by the Calculation Agent in accordance with the applicable paragraph below:
  - (i) if the Securities are Booster Turbo Long Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:
 
$$[(\text{Termination Reference Price} - \text{Termination Current Financing Level}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
  - (ii) if the Securities are Booster Turbo Short Certificates, the Issuer Call Amount shall be equal to the greater of (A) zero, and (B) an amount determined by the Calculation Agent in accordance with the following formula:
 
$$[(\text{Termination Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}] - \text{Expenses}; \text{ or}$$
- (c) if the Securities are terminated following the occurrence of a Stop Loss Event in accordance with Booster Turbo Payout Term 1(c) (*Early Termination for Stop Loss Event*), an amount (the "**Stop Loss Cash Amount**") equal to zero.

If the Financing Level Currency is different to the Settlement Currency, then the Cash Amount shall be converted into the Settlement Currency at the Relevant Exchange Rate.

### 3. Definitions

For the purposes of these Booster Turbo Payout Terms, the following words and expressions shall have the following meanings:

**"Booster Turbo Long Certificates"** means Commodity Booster Turbo Long Certificates, Currency Booster Turbo Long Certificates or Index Booster Turbo Long Certificates, as the case may be.

**"Booster Turbo Short Certificates"** means Commodity Booster Turbo Short Certificates, Currency Booster Turbo Short Certificates or Index Booster Turbo Short Certificates, as the case may be.

**"Calculation Period"** means, in respect of any Scheduled Trading Day, the period from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day.

**"Current Financing Level"** means, in respect of any Scheduled Trading Day, an amount (which shall be a monetary value in the Financing Level Currency) determined by the Calculation Agent in accordance with the following formula:

- (a) the Current Financing Level on the immediately preceding Scheduled Trading Day; *plus*
- (b) the Funding Cost on such Scheduled Trading Day; *minus*
- (c) if the relevant Final Terms specifies that "Notional Dividend Amount" is applicable, the Notional Dividend Amount, otherwise, this paragraph (c) shall be disregarded in the calculation of the Current Financing Level.

The Current Financing Level on the Trade Date shall be the level specified as such in the relevant Final Terms.

**"Current Spread"** means, in respect of any Scheduled Trading Day, the rate (expressed as a per annum percentage rate) determined by the Calculation Agent in its discretion, acting in

good faith and in a commercially reasonable manner, having regard to the Financing Level Currency, the prevailing market conditions (including, but not limited to, the liquidity of global financial markets, the availability and cost of capital and credit, interest rates, the imposition or announcement of any (additional) legislation and/or regulation, which requires higher capital ratio requirements for banks) and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on any Scheduled Trading Day (provided that if, the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that at any time the market rate for hedging the Securities with futures materially exceeds such market rate as at the Trade Date, (a) the Calculation Agent may increase the Current Spread to reflect this change, subject to the Maximum Spread, or (b) the Calculation Agent may, in its discretion, determine that such event results in the occurrence of an Increased Cost of Hedging (if applicable) instead).

The Current Spread on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Entitlement"** means the number specified as such in the relevant Final Terms.

**"Exchange Rate"** means, in respect of any day, (a) if the Financing Level Currency is the same as the Settlement Currency, not applicable, or (b) if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency at the relevant time on such day, as specified in the relevant Final Terms and quoted on the Exchange Rate Price Source, as determined by the Calculation Agent.

**"Exchange Rate Price Source"** means, the screen page or price source specified as such in the relevant Final Terms or if such screen page or price source is not available at any relevant time, then such screen page, price source or other source as determined by the Calculation Agent to be appropriate at such time, acting in good faith and in a commercially reasonable manner.

**"Exercise"** means a Holder's right to exercise the Securities, in accordance with Booster Turbo Payout Term 1(a) (*Exercise by Holder*).

**"Exercise Date"** means, subject to a Stop Loss Event, the number of Business Days preceding the Scheduled Valuation Date specified in the relevant Final Terms, or if no number is specified in the relevant Final Terms, the third Business Day preceding the Scheduled Valuation Date (provided that where relevant, the Calculation Agent may in its discretion, acting in good faith and in a commercially reasonable manner, determine that each such Business Day shall also be a Securities Trading Day).

**"Exercise Time"** means the time specified as such in the relevant Final Terms.

**"Final Current Financing Level"** means the Current Financing Level on or around the Valuation Date, as determined by the Calculation Agent.

**"Final Reference Price"** means the Reference Price of the Reference Asset on the Valuation Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Financing Level Currency"** means the currency specified as such in the relevant Final Terms.

**"Funding Cost"** means, in respect of any Scheduled Trading Day, an amount determined by the Calculation Agent in accordance with the applicable paragraph below:

- (a) if the Securities are Commodity Booster Turbo Long Certificates or Index Booster Turbo Long Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:



- (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *plus* (B) the Current Spread on such Scheduled Trading Day; *multiplied* by
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied* by
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided* by (B) 360; or
- (b) if the Securities are Commodity Booster Turbo Short Certificates or Index Booster Turbo Short Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *minus* (B) the Current Spread on such Scheduled Trading Day; *multiplied* by
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied* by
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided* by (B) 360; or
- (c) if the Securities are Currency Booster Turbo Long Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *plus* (B) the Current Spread on such Scheduled Trading Day, *minus* (C) the Prevailing Rate for the Underlying Currency on such Scheduled Trading Day; *multiplied* by
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied* by
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided* by (B) 360; or
- (d) if the Securities are Currency Booster Turbo Short Certificates, the Funding Cost shall be equal to an amount (which may be negative) determined by the Calculation Agent in accordance with the following formula:
  - (i) (A) the Prevailing Rate for the Financing Level Currency on such Scheduled Trading Day, *minus* (B) the Current Spread on such Scheduled Trading Day, *minus* (C) the Prevailing Rate for the Underlying Currency on such Scheduled Trading Day; *multiplied* by
  - (ii) the Current Financing Level on the immediately preceding Scheduled Trading Day; *multiplied* by
  - (iii) (A) the number of calendar days in the Calculation Period ending on, and including, such Scheduled Trading Day, *divided* by (B) 360.

**"Issuer Call"** means termination of the Securities by the Issuer in accordance with Booster Turbo Payout Term 1(b) (*Issuer Call*).

**"Issuer Call Commencement Date"** means the date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the first Business Day following the Issue Date.

**"Issuer Call Date"** means the date specified as such in the notice delivered by the Issuer in accordance with Booster Turbo Payout Term 1(b) (*Issuer Call*), and such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

**"Issuer Call Notice Period"** means the time period specified as such in the relevant Final Terms, or if no time period is specified in the relevant Final Terms, "Issuer Call Notice Period" shall mean, in respect of (a) all Securities (other than Commodity Booster Turbo Short Certificates linked to palladium or platinum), three months, or (b) Commodity Booster Turbo Short Certificates linked to palladium or platinum only, one day.

**"Maximum Spread"** means the rate (expressed as a percentage) specified as such in the relevant Final Terms.

**"Notional Dividend Amount"** means, in respect of Securities which are Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, if the relevant Final Terms specify "Notional Dividend Amount" to be applicable, an amount determined by the Calculation Agent as equal to the sum of the cash dividends and/or other cash distributions declared in respect of each component security included in the Index which has an ex-dividend date occurring during the Notional Dividend Period or a percentage thereof in accordance with the Issuer's hedging position, provided that (a) in respect of Index Booster Turbo Long Certificates, such amount shall be net of applicable withholding taxes at a rate adjusted by application of any relevant tax treaty without regard to any tax credits, and (b) in respect of Index Booster Turbo Short Certificates, such amount shall be without regard to any withholding tax or other deductions multiplied by the prevailing dividend percentage payable under market standard stock borrow agreements, as determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner. If the currency of the Notional Dividend Amount is different to the Financing Level Currency, the Notional Dividend Amount shall be converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financing Level Currency and the relevant currency, as determined by the Calculation Agent.

**"Notional Dividend Period"** means, in respect of any Scheduled Trading Day and Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, the period from (but excluding) the immediately preceding Scheduled Trading Day to (and including) such Scheduled Trading Day.

**"Prevailing Rate"** means, in respect of any day and the Financing Level Currency or the Underlying Currency, as the case may be, the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in such Financing Level Currency or Underlying Currency, as the case may be, in the interbank market with a maturity of either three months, one month or overnight, as selected by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

**"Reference Asset"** means, in respect of:

- (a) Commodity Booster Turbo Long Certificates or Commodity Booster Turbo Short Certificates, the Commodity specified in the relevant Final Terms; or
- (b) Currency Booster Turbo Long Certificates or Currency Booster Turbo Short Certificates, the Currency Exchange Rate specified in the relevant Final Terms; or
- (c) Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, the Index or Commodity Index specified in the relevant Final Terms.

**"Reference Price"** means, in respect of any day and Securities which are:

- (a) Commodity Booster Turbo Long Certificates or Commodity Booster Turbo Short Certificates, the Commodity Reference Price on such day; or
- (b) Currency Booster Turbo Long Certificates or Currency Booster Turbo Short Certificates, the Currency Price of the Reference Asset on such day; or
- (c) Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Index Level of the Reference Asset on such day,

in each case, without regard to any subsequently published correction.

**"Relevant Exchange Rate"** means, in respect of:

- (a) the Exercise Cash Amount, the Exchange Rate on or around the Valuation Date;
- (b) the Issuer Call Cash Amount, the Exchange Rate on or around the Issuer Call Date,

provided that if no Exchange Rate is available on any such day, the Calculation Agent shall determine the Relevant Exchange Rate for such day in its discretion, acting in good faith and in a commercially reasonable manner, taking into account all information that it deems relevant.

**"Scheduled Valuation Date"** means the original date, prior to any adjustment, if any, on which the relevant Valuation Date is scheduled to fall.

**"Securities Exchange"** means the exchange or quotation system specified as such in the relevant Final Terms.

**"Securities Trading Day"** means any day that is (or, but for the occurrence of a disruption event, would have been) a trading day on the Securities Exchange.

**"Settlement Date"** means, (a) in respect of the payment of an Exercise Cash Amount or an Issuer Call Cash Amount, the day falling not later than the tenth Business Day or such other number of Business Days specified in the relevant Final Terms following the Valuation Date or the Issuer Call Date, as the case may be, and (b) if a Stop Loss Event has occurred on any day, such day.

**"Stop Loss Event"** means (and a Stop Loss Event shall be deemed to have occurred if):

- (a) in respect of Securities which are Booster Turbo Long Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the Stop Loss Reset Time or at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, less than or equal to the Stop Loss Price; or
- (b) in respect of Securities which are Booster Turbo Short Certificates, the Stop Loss Event Price of the Reference Asset is, at any time on any Scheduled Trading Day from, and including, 8:00 a.m., Central European Time on the Trade Date, and other than at the Stop Loss Reset Time or at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Price.

**"Stop Loss Event Price"** means, in respect of any day, and Securities which are:

- (a) Commodity Booster Turbo Long Certificates or Commodity Booster Turbo Short Certificates, the Commodity Reference Price as of the relevant time on such day; or

- (b) Currency Booster Turbo Long Certificates or Currency Booster Turbo Short Certificates, the Currency Price of the Reference Asset as of the relevant time on such day; or
- (c) Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Reference Asset published by the Index Sponsor as of the relevant time on such day.

**"Stop Loss Price"** means, in respect of any Scheduled Trading Day, the Current Financing Level on such day. The Stop Loss Price shall be rounded in accordance with the Stop Loss Rounding Convention. The Stop Loss Price on the Trade Date shall be the amount specified as such in the relevant Final Terms.

**"Stop Loss Rounding Convention"** means, in respect of any amount, that such amount may be rounded either up or down and to the nearest number of decimal places, points, units or index points, as specified in the relevant Final Terms.

**"Termination Current Financing Level"** means the Current Financing Level on or around the Issuer Call Date, as determined by the Calculation Agent.

**"Termination Reference Price"** means the Reference Price of the Reference Asset on the Issuer Call Date, as determined by the Calculation Agent without regard to any subsequently published correction.

**"Type of Certificates"** means Commodity Booster Turbo Long Certificates, Commodity Booster Turbo Short Certificates, Currency Booster Turbo Long Certificates or Currency Booster Turbo Short Certificates, Index Booster Turbo Long Certificates or Index Booster Turbo Short Certificates, as specified in the relevant Final Terms.

**"Underlying Currency"** means the currency specified as such in the relevant Final Terms, or if no currency is so specified, then such term shall be deemed to be not applicable.

**"Valuation Date"** means each date specified as such in the relevant Final Terms, or if no date is specified in the relevant Final Terms, the last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date, and each such date shall be a Value Determination Date and subject to adjustment in accordance with the relevant Asset Terms.

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**FORM OF FINAL TERMS**


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Dated [ ]

[These Final Terms supersede and replace those dated [ ] in relation to the Securities.]




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# The Royal Bank of Scotland plc

(incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980  
registered number SC090312)

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[NUMBER] [REFERENCE ASSET] [TYPE OF CERTIFICATES] (ISIN: [ ])

[Include the preceding title unless documenting a fungible issuance of Securities. Where documenting a fungible issuance of Securities, include instead: [[FIRST] [SECOND] [NUMBER] INCREASE: ISSUE [AND LISTING] ON [EFFECTIVE DATE OF INCREASE] OF A FURTHER [INCREASE NUMBER] [NAME OF PRODUCT] TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE EXISTING ISSUE OF [ORIGINAL NUMBER (INCLUDING ANY PREVIOUS INCREASES)] [NAME OF PRODUCT] TO BRING THE TOTAL ISSUE SIZE TO [TOTAL NUMBER] [NAME OF PRODUCT] (ISIN: [ ])]]

[Include the following where documenting a fungible issue and the original Securities are already admitted to trading: The existing issue of [original number (including any previous increases)] [name of product] have been admitted to trading on [Euronext Amsterdam N.V. by NYSE Euronext] [NYSE Euronext Paris] [Nordic Growth Market - (NGM) - NDX (Nordic Derivatives Exchange)] [The Regulated Market of the Luxembourg Stock Exchange] [exchange].]

[INDICATIVE] ISSUE PRICE: [ ]

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## FINAL TERMS

*[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions set forth in the Base Prospectus relating to Turbos dated 24 May 2013 (the "Base Prospectus") as supplemented from time to time which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) (the "Prospectus Directive"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. [A summary of the Securities is annexed to these Final Terms.] Full information on the Issuer and each offer of the Securities described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus [and the supplement(s) to the Base Prospectus] [is] [are] available for viewing at the office of the Issuer at 36 St Andrew Square, Edinburgh EH2 2YB,*

*Scotland and copies may be obtained from the Issuer at that address and at <http://markets.rbs.com/bparchive> or <http://markets.rbs.com/launchpad>.]*

*[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions set forth in the Base Prospectus relating to Turbos dated 24 May 2013 (the "Base Prospectus") as supplemented from time to time. This document constitutes the Final Terms of the Securities described herein. [Copies of the Base Prospectus [and the supplement(s) to the Base Prospectus] [is] [are] available for viewing at the office of the Issuer at 36 St Andrew Square, Edinburgh EH2 2YB, Scotland and copies may be obtained from the Issuer at that address and at <http://markets.rbs.com/bparchive> or <http://markets.rbs.com/launchpad>.]*

*These Final Terms do not constitute final terms for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) (the "Prospectus Directive"). The Issuer is not offering the Securities in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive, nor is any person authorised to make such an offer of the Securities on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Securities on any Regulated Market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).]*

*Save for the Issuer in its separate capacities as Issuer and Calculation Agent - see risk factor 1(h) (The Calculation Agent has discretion under the terms and conditions of the Securities to make a number of determinations which could have a material adverse effect on the value of the Securities) and risk factor 4 (Factors relating to potential conflicts of interest of the Issuer) in the Base Prospectus, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. (NB: Amend as appropriate if there are interests. Include a description of any interest material to the issue/offer, details of the persons involved and the nature of the interest)*

*[Include whichever of the following apply or specify "Not Applicable" or delete the relevant paragraph. Italicised text denotes instructions for completing these Final Terms]*

Type of Certificates:	[Commodity Futures Contract Turbo Long Certificates] [Commodity Futures Contract Turbo Short Certificates] [Commodity Turbo Long Certificates] [Commodity Turbo Short Certificates] [Currency Turbo Long Certificates] [Currency Turbo Short Certificates] [Fund Turbo Long Certificates] [Government Bond Futures Contract Turbo Long Certificates] [Government Bond Futures Contract Turbo Short Certificates] [Index Futures Contract Turbo Long Certificates] [Index Futures Contract Turbo Short Certificates] [Index Turbo Long Certificates] [Index Turbo Short Certificates] [Single Stock Turbo Long Certificates] [Single Stock Turbo Short Certificates] [Constant Leverage Index Turbo Long Certificates] [Constant Leverage Index Turbo Short Certificates] [Constant Leverage Single Stock Turbo Long Certificates] [Constant Leverage Single Stock Turbo Short Certificates] [Commodity Booster Turbo Long Certificates] [Commodity Booster Turbo Short Certificates] [Currency Booster Turbo Long Certificates] [Currency Booster Turbo Short Certificates] [Index Booster Turbo Long Certificates] [Index Booster Turbo Short Certificates]
Applicable Payout Terms:	[General Turbo Payout Terms] [Constant Leverage Turbo Payout Terms] [Booster Turbo Payout Terms]
Applicable Asset Terms:	[Commodity and Commodity Futures Contract Linked Terms] [Currency Linked Terms] [Equity Linked Terms] [Fund Linked Terms] [Government Bond Futures Contract Linked Terms] [Index Linked Terms] [Index Futures Contract Linked Terms]
Applicable Additional Terms:	[Additional Term [    ]] [Not Applicable]
Clearing Agent(s):	[Euroclear Bank S.A./N.V.]  [Clearstream Banking, société anonyme]  [SIX SIS Ltd]  [Euroclear Sweden]  [Euroclear Finland]  [Euroclear Netherlands]
[Euroclear Finland Record Day:	The [third] [fifth] [ <i>specify other</i> ] Business Day before the due date for payment] ( <i>only applicable where          Euroclear Finland is specified as the Clearing Agent</i> )
Additional Business Centre(s):	[    ] [Not Applicable]
Additional Financial Centre(s):	[    ] [Not Applicable]
Early termination for illiquidity:	[Applicable] [Not Applicable]

Payment Disruption: [Applicable] [Not Applicable]

Unscheduled Early Termination Amount:

[Deduction for Hedge Costs: [Applicable] [Not Applicable]]

Listing: [Application [will be] [has been] made for the Securities to be listed on [Euronext Amsterdam N.V. by NYSE Euronext] [NYSE Euronext Paris] [Nordic Growth Market - (NGM) - NDX (Nordic Derivatives Exchange) Official List] [the Official List of the Luxembourg Stock Exchange] [exchange] with effect from, at the earliest, [the Listing Date]] [Application [will be] [has been] made by the Issuer (or on its behalf) for the Securities to be listed on SIX Swiss Exchange Ltd. and admitted to trading on Scoach Switzerland Ltd.]

Listing Date: [ ]

Admission to trading: [Application [will be] [has been] made for the Securities to be admitted to trading on [Euronext Amsterdam N.V. by NYSE Euronext] [NYSE Euronext Paris] [Nordic Growth Market - (NGM) - NDX (Nordic Derivatives Exchange)] [the Regulated Market of the Luxembourg Stock Exchange] [exchange] with effect from, at the earliest, [the Listing Date].]

[Application [will be] [has been] made by the Issuer (or on its behalf) for the Securities to be listed on SIX Swiss Exchange Ltd. and admitted to trading on Scoach Switzerland Ltd., provided that no assurance can be given that the Securities will be admitted to trading on Scoach Switzerland Ltd. or listed on SIX Swiss Exchange Ltd. on the Issue Date or any specific date thereafter.] [Securities listed on SIX Swiss Exchange Ltd. may be suspended from trading in accordance with Article 57 of the SIX Listing Rules or be de-listed from SIX Swiss Exchange Ltd. during the lifetime of the Securities.]

[No application for admission to trading has been made.]



[If, following the date of these Final Terms, but before the later of (a) the closure of the offer for the Securities; and (b) if applicable, the admission of the Securities to trading on [Euronext Amsterdam N.V. by NYSE Euronext] *[specify other]*], the Base Prospectus (the "**Original Prospectus**") is supplemented, updated or replaced (including replacement following the expiry of the Original Prospectus) then the Issuer shall be entitled, without the consent of any Holder, any prospective Holder or any other person, to amend these Final Terms so as to provide, and/or replace these Final Terms with ones which provide that references to the Original Prospectus herein shall be to the Original Prospectus as amended, supplemented, updated or replaced (save that the terms and conditions applicable to the Securities shall be the Terms and Conditions set forth in the Original Prospectus).]

Principal Agent: [The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR, United Kingdom] *[specify other]*

[Issuing and Paying Agent: [ ]]

Paying Agent: [The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR, United Kingdom] *[specify other]*

Agent(s): [Citibank International Plc, Netherlands Branch, Global Transaction Services, Hoge Mosten 2, 4822 NH Breda, The Netherlands] *[specify other]*

Calculation Agent: [The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR, United Kingdom] *[specify other - insert name and address of such entity]*

Dealer: [The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] *[specify other]*

Form of the Securities: [Global Security [exchangeable for Definitive Securities]]

[Dematerialised form]

[Dematerialised Securities transformed into Intermediated Securities] *(Only applicable to Securities where the Clearing Agent is SIX SIS Ltd)*

Ratings: [Standard & Poor's Credit Market Services Europe Limited: [Not Applicable] *[specify other]*]

[Moody's Investors Service Limited: [Not Applicable] *[specify other]*]

[Fitch Ratings Limited: [Not Applicable] *[specify other]*]

[[The rating assigned to the Securities has been endorsed by: [ ]]

*(delete if not applicable)*

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to the Securities of the type being issued under the Programme generally or, where the issued has been specifically rated, that rating.)*

*(A statement should also be made as to whether the rating allocated to the Securities is by (a) a registered rating agency established in the EU; (b) an unregistered rating agency established outside the EU; (c) a rating agency established in the EU who is applying to be registered in the EU but is not yet registered; (d) a third country rating agency that is endorsed by an EU registered rating agency; or (e) a third country rating agency that has not applied to be registered in the EU but is certified in accordance with the CRA Regulation).]*

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**COMMODITY FUTURES CONTRACT TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*] [Not Applicable]]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Futures Contract (as specified below)

Reset Date: [[2<sup>nd</sup>]<sup>1</sup> [8<sup>th</sup>]<sup>2</sup> [9<sup>th</sup>]<sup>3</sup> [17<sup>th</sup>]<sup>4</sup> [24<sup>th</sup>]<sup>5</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

## Commodity Futures Contract Turbo Certificates

Stop Loss Price on the Trade Date: [   ]

Stop Loss Reset Date: [[2<sup>nd</sup>]<sup>1</sup> [8<sup>th</sup>]<sup>2</sup> [9<sup>th</sup>]<sup>3</sup> [17<sup>th</sup>]<sup>4</sup> [24<sup>th</sup>]<sup>5</sup> day] [*specify other*]

Stop Loss Rounding Convention: [Up] [Down] to [the nearest whole unit (with 0.5 being rounded upwards)] [two decimal places (with 0.005 being rounded upwards)] [four decimal places (with 0.00005 being rounded upwards)] [*specify other*]

Stop Loss Termination Valuation Period: Stop Loss Termination Date and the [two] [*number*] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred

Trade Date: [   ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s): Relevant Currency Disruption  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]

Commodity: [   ]

Commodity Reference Price: [   ]

Correction Cut-Off Date: [As defined in Commodity and Commodity Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

Correction of Commodity Reference Price: [Not Applicable] [Applicable]

Delivery Date: [*date*] [[*number*] Nearby Month] [*specified expiration*]  
[Delivery Date Roll is applicable]  
[Expiry Date Roll is applicable]

Disruption Fallback(s): Delayed Publication or Announcement and Postponement: [Applicable] [Not Applicable]  
Postponement: [Applicable] [Not Applicable]  
Fallback Reference Dealers: [Applicable] [Not Applicable]  
Calculation Agent Determination: [Applicable] [Not Applicable]

Exchange: [   ]

Market Disruption Event(s):	<p>Applicable:</p> <p>[Price Source Disruption]</p> <p>[Trading Disruption]</p> <p>[Disappearance of Commodity Reference Price]</p> <p>[Material Change in Formula]</p> <p>[Material Change in Content]</p> <p>[Tax Disruption]</p>
Maximum Days of Disruption:	<p>For the purposes of:</p> <p>Issuer Call Date: [Five] [<i>specify other</i>] Scheduled Trading Days</p> <p>Valuation Date: [Five] [<i>specify other</i>] Scheduled Trading Days</p>
Price Source:	[ ]
Reference Dealers:	[ ]
Relevant Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Specified Price:	<p>For the purposes of:</p> <p>Reference Price: The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [<i>specify other</i>]</p> <p>Stop Loss Event Price: The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [<i>specify other</i>]</p>
Value Determination Date:	Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]

Other Securities Code(s): [Symbol]

# **INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: *[Optional: consider inclusion of such additional information]]*

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

## **[TERMS AND CONDITIONS OF OFFER**

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by *[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]* other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* during the period from *[specify date]* until *[specify date]* (the "**Offer Period**")]

Offer Price: [Issue Price] *[specify other]*

Conditions to which the offer is subject: [Not Applicable] *[give details]*

Description of the application process: [Not Applicable] *[give details]*

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] *[give details]]*

Details of the minimum and/or maximum amount of application: [Not Applicable] *[give details]*

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] *[give details]*

Manner in and date on which results of the offer are to be made public: [Not Applicable] *[give details]*

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes [Not Applicable] *[give details]*

place:

Consent:

[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

- (a) Name and address [Give details]  
of Authorised  
Offeror(s):
- (b) Offer period for [Give details]  
which use of the  
Base Prospectus is  
authorised by the  
Authorised  
Offeror(s):
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

Notes:

- 1 cocoa
- 2 oil
- 3 coffee

## Commodity Futures Contract Turbo Certificates

4 aluminium, copper, sugar

5 wheat



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**COMMODITY TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [One day] [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Commodity (as specified below)

Reset Date: [15th day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

## Commodity Turbo Certificates

Stop Loss Price on the Trade Date:	[ ]
Stop Loss Reset Date:	[15 <sup>th</sup> day] [ <i>specify other</i> ]
Stop Loss Rounding Convention:	[Up] [Down] to the nearest [whole unit] [ <i>specify other</i> ]
Stop Loss Termination Valuation Period:	Stop Loss Termination Date and the [two] [ <i>number</i> ] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred
Trade Date:	[ ]
Valuation Date(s):	[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [ <i>specify other</i> ]

### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s):	Relevant Currency Disruption [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
Commodity:	[ ]  [ <i>Reuters Page: [XAU=]</i> <sup>1</sup> [ <i>XPT=</i> ] <sup>2</sup> [ <i>XAG=</i> ] <sup>3</sup> [ <i>XPD=</i> ] <sup>4</sup> [ <i>specify other</i> ]]
Commodity Reference Price:	[ ]
Correction Cut-Off Date:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Correction of Commodity Reference Price:	[Not Applicable] [Applicable]
Delivery Date:	[ <i>date</i> ] [Not Applicable]
Disruption Fallback(s):	Delayed Publication or Announcement and Postponement: [Applicable] [Not Applicable]  Postponement: [Applicable] [Not Applicable]  Fallback Reference Dealers: [Applicable] [Not Applicable]  Calculation Agent Determination: [Applicable] [Not

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<sup>1</sup> if gold

<sup>2</sup> if platinum

<sup>3</sup> if silver

<sup>4</sup> if palladium

	Applicable]
Exchange:	[ ]
Market Disruption Event(s):	Applicable: [Price Source Disruption] [Trading Disruption] [Disappearance of Commodity Reference Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption]
Maximum Days of Disruption:	For the purposes of:  Issuer Call Date: [Five] [ <i>specify other</i> ] Scheduled Trading Days  Valuation Date: [Five] [ <i>specify other</i> ] Scheduled Trading Days
Price Source:	[ ]
Reference Dealers:	[ ]
Relevant Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Specified Price:	For the purposes of:  Reference Price: [The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [ <i>specify other</i> ]]  Stop Loss Event Price: [The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [ <i>specify other</i> ]]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN: [ ]

Common Code: [ ]

Fondscore: [ ]

Other Securities Code(s): [Symbol]

# **INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: *[Optional: consider inclusion of such additional information]]*

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

## **[TERMS AND CONDITIONS OF OFFER**

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by *[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]* other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* during the period from *[specify date]* until *[specify date]* (the "**Offer Period**")]

Offer Price: [Issue Price] *[specify other]*

Conditions to which the offer is subject: [Not Applicable] *[give details]*

Description of the application process: [Not Applicable] *[give details]*

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] *[give details]]*

Details of the minimum and/or maximum amount of application: [Not Applicable] *[give details]*

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] *[give details]*

Manner in and date on which results of the offer are to be made public: [Not Applicable] *[give details]*

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Not Applicable] *[give details]*

Consent: [Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

- (a) Name and address of Authorised Offeror(s): *[Give details]*
- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): *[Give details]*
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. *[Insert any other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**CURRENCY TURBO CERTIFICATES**

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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [5:00 p.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]

Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Currency Exchange Rate (as specified below)

Reset Date: [15<sup>th</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

Stop Loss Price on the Trade Date: [ ]

Stop Loss Reset Date: [15<sup>th</sup> day] [*specify other*]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [one] [three] [decimal places] [*specify other*]

Stop Loss Termination Valuation Period: Stop Loss Termination Date and the [two] [*number*] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred

Trade Date: [ ]

Underlying Currency: [ ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

**ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s): Relevant Currency Disruption  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]

Correction Cut-Off Date: [As defined in Currency Linked Term 4 (*Definitions*)] [*specify other*]

Correction of Currency Exchange Rate: [Not Applicable] [Applicable]

Currency Exchange Rate: [ ] (*[Bloomberg] Page: [ ]*)

Currency Price: For the purposes of:  
Reference Price: The [high] [low] [bid] [ask] [spot] [mid] [*specify other*] price  
Stop Loss Event Price: The [high] [low] [bid] [ask] [spot] [mid] [*specify other*] price

Illiquidity Value Determination Date: [ ] [Not Applicable]

## Currency Turbo Certificates

Market Disruption Event(s):	Applicable: [General Inconvertibility] [General Non-Transferability] [Governmental Authority Default] [Illiquidity] [Material Change in Circumstance] [Nationalisation] [Price Source Disruption] [Specific Inconvertibility] [Specific Non-Transferability]
Maximum Days of Disruption:	For the purposes of: Issuer Call Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days Valuation Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days
Minimum Amount:	[   ]
Reference Currency Notional Amount:	[   ]
Relevant Currency:	[As defined in Currency Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Screen Page(s):	For the purposes of: Reference Price: [ <i>Bloomberg</i> ] Page: [   ] Stop Loss Event Price: [ <i>Bloomberg</i> ] Page: [   ]
Standard Currency:	[As defined in Currency Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Valuation Time:	[   ]
Value Determination Date:	Each Valuation Date and the Issuer Call Date
<b>OPERATIONAL INFORMATION</b>	
ISIN:	[   ]
Common Code:	[   ]
Fondscore:	[   ]
Other Securities Code(s):	[ <i>Symbol</i> ]



## INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: *[Optional: consider inclusion of such additional information]]*

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

## [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by *[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]* other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* during the period from *[specify date]* until *[specify date]* (the "**Offer Period**")]

Offer Price: [Issue Price] *[specify other]*

Conditions to which the offer is subject: [Not Applicable] *[give details]*

Description of the application process: [Not Applicable] *[give details]*

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] *[give details]]*

Details of the minimum and/or maximum amount of application: [Not Applicable] *[give details]*

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] *[give details]*

Manner in and date on which results of the offer are to be made public: [Not Applicable] *[give details]*

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Not Applicable] *[give details]*

Consent:

[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

- (a) Name and address [Give details]  
of Authorised  
Offeror(s):
- (b) Offer period for [Give details]  
which use of the  
Base Prospectus is  
authorised by the  
Authorised  
Offeror(s):
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**FUND TURBO LONG CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [5:00 p.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Fund (as specified below)

Reset Date: [15<sup>th</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [*fifth*] [*tenth*] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

## Fund Turbo Long Certificates

Stop Loss Price on the Trade Date:	[   ]
Stop Loss Reset Date:	[15 <sup>th</sup> day] [ <i>specify other</i> ]
Stop Loss Rounding Convention:	[Up] [Down] to the nearest [0.1] [unit] [ <i>specify other</i> ]
Stop Loss Termination Valuation Period:	As defined in General Turbo Payout Terms 3 ( <i>Definitions</i> )
Trade Date:	[   ]
Valuation Date(s):	[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [ <i>specify other</i> ]

### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s):	Relevant Currency Disruption [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
Correction Cut-Off Date:	[As defined in Fund Linked Term 5 ( <i>Definitions</i> )] [specify other]
Correction of Fund Share Price:	[Not Applicable] [Applicable]
Exchange:	[   ]
Fund:	[   ] ( <i>ISIN</i> : [   ];) [ <i>Bloomberg</i> ] Page: [   ] [The Fund is an exchange traded fund]
Fund Share Price:	[NAV] [Trading Price] [As defined in Fund Linked Term 5 ( <i>Definitions</i> )]
Information Source:	[   ]
Related Exchange:	[All Exchanges] [   ]
Relevant Currency:	[As defined in Fund Linked Term 5 ( <i>Definitions</i> )] [specify other]
Standard Currency:	[As defined in Fund Linked Term 5 ( <i>Definitions</i> )] [specify other]
Valuation Time:	[As defined in Fund Linked Term 5 ( <i>Definitions</i> )] [specify other]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

### OPERATIONAL INFORMATION

ISIN:	[   ]
Common Code:	[   ]

Fondscore: [ ]

Other Securities Code(s): [Symbol]

### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: [Optional: consider inclusion of such additional information]]

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by [specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] during the period from [specify date] until [specify date] (the "Offer Period")]

Offer Price: [Issue Price] [specify other]

Conditions to which the offer is subject: [Not Applicable] [give details]

Description of the application process: [Not Applicable] [give details]

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] [give details]]

Details of the minimum and/or maximum amount of application: [Not Applicable] [give details]

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] [give details]

Manner in and date on which results of the offer are to be made public: [Not Applicable] [give details]

Whether tranche(s) have been reserved for certain countries: [Not Applicable] [give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] [give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] [give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the [Not Applicable] [give details]

various countries where the offer takes place:

Consent:

[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

- (a) Name and address [Give details]  
of Authorised  
Offeror(s):
- (b) Offer period for [Give details]  
which use of the  
Base Prospectus is  
authorised by the  
Authorised  
Offeror(s):
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**GOVERNMENT BOND FUTURES CONTRACT TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [5:00 p.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Government Bond Futures Contract (as specified below)

Reset Date: [15<sup>th</sup> day] [*specify other*]Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

## Government Bond Futures Contract Turbo Certificates

Stop Loss Price on the Trade Date: [ ]

Stop Loss Reset Date: [15<sup>th</sup> day] [*specify other*]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [one decimal place (with 0.05 being rounded [upwards] [downwards])] [*specify other*]

Stop Loss Termination Valuation Period: Stop Loss Termination Date and the [two] [*number*] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred

Trade Date: [ ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s): Relevant Currency Disruption  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]

Correction Cut-Off Date: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

Correction of Official Settlement Price: [Not Applicable] [Applicable]

Exchange: [ ]

Government Bond: [ ]

Government Bond Futures Contract: [ ] (*[Reuters] Page: [ ]*; *ISIN: [ ]*)

Market Disruption Event(s): Applicable:  
[Trading Suspension]  
[Trading Limitation]

Maximum Days of Disruption: For the purposes of:  
  
Issuer Call Date: [Eight] [*specify other*] Scheduled Trading Days  
  
Valuation Date: [Eight] [*specify other*] Scheduled Trading Days

Relevant Currency: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]



Standard Currency: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

Valuation Time: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

Value Determination Date: Each Valuation Date and the Issuer Call Date

#### OPERATIONAL INFORMATION

ISIN: [ ]

Common Code: [ ]

Fondscore: [ ]

Other Securities Code(s): [*Symbol*]

#### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: [*Optional: consider inclusion of such additional information*]]

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

#### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by [*specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known*] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] during the period from [*specify date*] until [*specify date*] (the "**Offer Period**")]

Offer Price: [Issue Price] [*specify other*]

Conditions to which the offer is subject: [Not Applicable] [*give details*]

Description of the application process: [Not Applicable] [*give details*]

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] [*give details*]]

Details of the minimum and/or maximum amount of application: [Not Applicable] [*give details*]

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] [*give details*]

Manner in and date on which results of the offer are to be made public: [Not Applicable] [*give details*]

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Not Applicable] *[give details]*

Consent: [Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

(a) Name and address of Authorised Offeror(s): *[Give details]*

(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): *[Give details]*

(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. *[Insert any other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as

completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**INDEX FUTURES CONTRACT TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Index Futures Contract (as specified below)

Reset Date: [17<sup>th</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [*fifth*] [*tenth*] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

Stop Loss Price on the Trade Date: [   ]

Stop Loss Reset Date: [17<sup>th</sup> day] [*specify other*]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [two decimal places (with 0.005 being rounded upwards)] [*specify other*]

Stop Loss Termination Valuation Period: Stop Loss Termination Date and the [two] [*number*] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred

Trade Date: [   ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

#### **ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s): Relevant Currency Disruption

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

Correction Cut-Off Date: [As defined in Index Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

Correction of Official Settlement Price: [Not Applicable] [Applicable]

Index: [   ]

Index Futures Contract: [   ] (*[Bloomberg] Page: [   ]*)

Market Disruption Event(s): Applicable:

[Price Source Disruption]

[Trading Suspension]

[Disappearance of Price]

[Material Change in Formula]

[Material Change in Content]

[Tax Disruption]

[Trading Limitation]

Maximum Days of Disruption: For the purposes of:

Issuer Call Date: [Eight] [*specify other*] Scheduled Trading Days

	Valuation Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days
Relevant Currency:	[As defined in Index Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Index Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Valuation Time:	[As defined in Index Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

#### OPERATIONAL INFORMATION

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
Other Securities Code(s):	[ <i>Symbol</i> ]

#### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset:	[ <i>Optional: consider inclusion of such additional information</i> ]]
Page where information about the past and further performance of the Reference Asset and its volatility can be obtained:	[ ]

#### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by [ <i>specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known</i> ] other than pursuant to Article 3(2) of the Prospectus Directive in [ <i>specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported</i> ] during the period from [ <i>specify date</i> ] until [ <i>specify date</i> ] (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] [ <i>specify other</i> ]
Conditions to which the offer is subject:	[Not Applicable] [ <i>give details</i> ]
Description of the application process:	[Not Applicable] [ <i>give details</i> ]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] [ <i>give details</i> ]]
Details of the minimum and/or maximum amount of application:	[Not Applicable] [ <i>give details</i> ]

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] *[give details]*

Manner in and date on which results of the offer are to be made public: [Not Applicable] *[give details]*

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Not Applicable] *[give details]*

Consent: [Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

(a) Name and address of Authorised Offeror(s): *[Give details]*

(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): *[Give details]*

(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. *[Insert any other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information.

The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*



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**INDEX TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Notional Dividend Amount: [Applicable] [Not Applicable]

Reference Asset: The [Commodity Index] [Index] (as specified below)

Reset Date: [15<sup>th</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date:	The day falling not later than the <i>[number]</i> <i>[fifth]</i> <i>[tenth]</i> Business Day following the Valuation Date (or the Latest Determination Date in respect of such date), the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date (or the Latest Determination Date in respect of such date), as the case may be
Stop Loss Price on the Trade Date:	<i>[ ]</i>
Stop Loss Reset Date:	<i>[15<sup>th</sup> day]</i> <i>[specify other]</i>
Stop Loss Rounding Convention:	<i>[Up]</i> <i>[Down]</i> to the nearest whole <i>[one]</i> <i>[ten]</i> <i>[unit[s]]</i> <i>[specify other]</i>
Stop Loss Termination Valuation Period:	Stop Loss Termination Date and the <i>[two]</i> <i>[number]</i> Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred
Trade Date:	<i>[ ]</i>
Valuation Date(s):	<i>[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date]</i> <i>[specify other]</i>

#### **ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s):	Relevant Currency Disruption  <i>[Change in Law]</i>  <i>[Hedging Disruption]</i>  <i>[Increased Cost of Hedging]</i>
<i>[Commodity Index]</i> <i>[Index]</i> :	<i>[ ]</i> <i>([Bloomberg] Page: [ ])</i>
Correction Cut-Off Date:	<i>[As defined in Index Linked Term 7 (Definitions)]</i> <i>[specify other]</i>
Correction of Index Level:	<i>[Not Applicable]</i> <i>[Applicable]</i>
Exchange:	<i>[ ]</i>
Index Sponsor:	<i>[ ]</i>
Market Disruption Event(s):	<i>[Single-Exchange Index: As defined in Index Linked Term 7 (Definitions)]</i>  <i>[Multi-Exchange Index: As defined in Index Linked Term 7 (Definitions)]</i>  <i>[Proprietary Index: As defined in Index Linked Term 7 (Definitions)]</i>  <i>[Commodity Index:</i>

	[Price Source Disruption]
	[Trading Suspension]
	[Disappearance of Price]
	[Material Change in Formula]
	[Material Change in Content]
	[Tax Disruption]
	[Trading Limitation]
	[Imposition of Limit Price]]
Maximum Days of Disruption:	For the purposes of:
	Issuer Call Date: [Eight] [Five] [ <i>specify other</i> ] Scheduled Trading Days
	Valuation Date: [Eight] [Five] [ <i>specify other</i> ] Scheduled Trading Days
Related Exchange:	[All Exchanges] [ ]
Relevant Currency:	[As defined in Index Linked Term 7 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Index Linked Term 7 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Type of Index:	[Single-Exchange Index] [Multi-Exchange Index] [Proprietary Index] [Commodity Index]
Valuation Time:	[ ] [As defined in Index Linked Term 7 ( <i>Definitions</i> )]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
Other Securities Code(s):	[ <i>Symbol</i> ]

**INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset:	[ <i>Optional: consider inclusion of such additional information</i> ]]
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Page where information about the past and further performance of the Reference Asset and its volatility can be obtained:	[ ]
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**[TERMS AND CONDITIONS OF**

## OFFER

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by <i>[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]</i> other than pursuant to Article 3(2) of the Prospectus Directive in <i>[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]</i> during the period from <i>[specify date]</i> until <i>[specify date]</i> (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] <i>[specify other]</i>
Conditions to which the offer is subject:	[Not Applicable] <i>[give details]</i>
Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a " <b>Non-exempt Offer</b> "), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies (" <b>Authorised Offeror(s)</b> "), during the offer period and subject to the conditions, as provided as follows:  (a) Name and address <i>[Give details]</i> of Authorised Offeror(s):

- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): [Give details]
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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SINGLE STOCK TURBO CERTIFICATES

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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Current Stop Loss Premium Rate: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in General Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [5:00 p.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [One day] [Three months] [*specify other*]

Maximum Premium: [ ]

Minimum Premium: [ ]

Reference Asset: The Equity (as specified below)

Reset Date: [15<sup>th</sup> day] [*specify other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: The day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be

Stop Loss Price on the Trade Date: [ ]

Stop Loss Reset Date: [15<sup>th</sup> day] [*specify other*]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [0.1 unit] [*specify other*]

Stop Loss Termination Valuation Period: Stop Loss Termination Date and the [two] [*number*] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred

Trade Date: [ ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

**ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s): Relevant Currency Disruption

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

[Loss of Stock Borrow]

Correction Cut-Off Date: [As defined in Equity Linked Term 6 (*Definitions*)] [*specify other*]

Correction of Equity Price: [Not Applicable] [Applicable]

Equity: [ ] (*Bloomberg* Page: [ ])

Equity Issuer: [ ]

Equity Substitution: [Not Applicable] [Applicable]

Exchange: [ ]

Extraordinary Event(s): [Not Applicable]

[Applicable:

[De-listing]

[Merger Event]

[Nationalisation]

[Insolvency]

[Tender Offer]]

Maximum Days of Disruption:	For the purposes of:  Issuer Call Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days  Valuation Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days
Potential Adjustment Event(s):	[Applicable – as defined in Equity Linked Term 6 ( <i>Definitions</i> )] [Not Applicable]
Related Exchange:	[All Exchanges] [ ]
Relevant Currency:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Valuation Time:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

#### OPERATIONAL INFORMATION

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
Other Securities Code(s):	[ <i>Symbol</i> ]

#### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset:	[ <i>Optional: consider inclusion of such additional information</i> ]]
Page where information about the past and further performance of the Reference Asset and its volatility can be obtained:	[ ]

#### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by [ <i>specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known</i> ] other than pursuant to Article 3(2) of the Prospectus Directive in [ <i>specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported</i> ] during the period from [ <i>specify date</i> ] until [ <i>specify date</i> ] (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] [ <i>specify other</i> ]
Conditions to which the offer is subject:	[Not Applicable] [ <i>give details</i> ]



Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of Authorised Offeror(s): <i>[Give details]</i></p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): <i>[Give details]</i></p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. <i>[Insert any</i></p>

*other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**CONSTANT LEVERAGE INDEX TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**Certificate Fee: [0.05 per cent. p.a.] [*specify other*]

Current Financing Level on the Trade Date: [ ]

Current Participation Factor on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in Constant Leverage Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Spread: [ ]

Notional Dividend Amount: [Applicable] [Not Applicable]

Reference Asset: The [Commodity Index] [Index] (as specified below)

Screen Page: [Bloomberg] [Reuters] [*other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date:	The day falling not later than the <i>[number]</i> <i>[fifth]</i> <i>[tenth]</i> Business Day following the Valuation Date (or the Latest Determination Date in respect of such date), the last day of the Stop Loss Termination Valuation Period, or the Issuer Call Date (or the Latest Determination Date in respect of such date), as the case may be
Stop Loss Premium Rate:	<i>[Five]</i> <i>[specify other]</i> per cent.
Stop Loss Price on the Trade Date:	<i>[ ]</i>
Stop Loss Reset Time:	<i>[The regular weekday opening time of the Exchange]</i> <i>[specify other]</i>
Stop Loss Rounding Convention:	<i>[Up]</i> <i>[Down]</i> to the nearest <i>[0.1]</i> <i>[one]</i> <i>[ten]</i> <i>[100]</i> <i>[1000]</i> <i>[unit[s]]</i> <i>[specify other]</i>
Stop Loss Termination Valuation Period:	Stop Loss Termination Date and the <i>[two]</i> <i>[number]</i> Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred
Target Leverage Factor:	<i>[ ]</i>
Trade Date:	<i>[ ]</i>
Valuation Date(s):	<i>[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date]</i> <i>[specify other]</i>

#### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s):	Relevant Currency Disruption <i>[Change in Law]</i> <i>[Hedging Disruption]</i> <i>[Increased Cost of Hedging]</i>
<i>[Commodity Index]</i> <i>[Index]</i> :	<i>[ ]</i> ( <i>[Bloomberg]</i> Page: <i>[ ]</i> )
Correction Cut-Off Date:	<i>[As defined in Index Linked Term 7 (Definitions)]</i> <i>[specify other]</i>
Correction of Index Level:	<i>[Not Applicable]</i> <i>[Applicable]</i>
Exchange:	<i>[ ]</i>
Index Sponsor:	<i>[ ]</i>
Market Disruption Event(s):	<i>[Single-Exchange Index: As defined in Index Linked Term 7 (Definitions)]</i> <i>[Multi-Exchange Index: As defined in Index Linked Term 7 (Definitions)]</i> <i>[Proprietary Index: As defined in Index Linked Term</i>

7 (*Definitions*)

[Commodity Index:

[Price Source Disruption]

[Trading Suspension]

[Disappearance of Price]

[Material Change in Formula]

[Material Change in Content]

[Tax Disruption]

[Trading Limitation]

[Imposition of Limit Price]]

Maximum Days of Disruption:

For the purposes of:

Issuer Call Date: [Eight] [Five] [*specify other*]  
Scheduled Trading Days

Valuation Date: [Eight] [Five] [*specify other*]  
Scheduled Trading Days

Related Exchange:

[All Exchanges] [ ]

Relevant Currency:

[As defined in Index Linked Term 7 (*Definitions*)]  
[*specify other*]

Standard Currency:

[As defined in Index Linked Term 7 (*Definitions*)]  
[*specify other*]

Type of Index:

[Single-Exchange Index] [Multi-Exchange Index]  
[Proprietary Index] [Commodity Index]

Valuation Time:

[ ] [As defined in Index Linked Term 7  
(*Definitions*)]

Value Determination Date:

Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN:

[ ]

Common Code:

[ ]

Fondscore:

[ ]

Other Securities Code(s):

[*Symbol*]

**INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the  
relevant securities note, relating to the  
Reference Asset:

[*Optional: consider inclusion of such additional  
information*]]

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

## [TERMS AND CONDITIONS OF OFFER]

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by <i>[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]</i> other than pursuant to Article 3(2) of the Prospectus Directive in <i>[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]</i> during the period from <i>[specify date]</i> until <i>[specify date]</i> (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] <i>[specify other]</i>
Conditions to which the offer is subject:	[Not Applicable] <i>[give details]</i>
Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a " <b>Non-exempt Offer</b> "), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies (" <b>Authorised Offeror(s)</b> "), during the offer period

and subject to the conditions, as provided as follows:

- (a) Name and address of Authorised Offeror(s): *[Give details]*
- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): *[Give details]*
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. *[Insert any other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**CONSTANT LEVERAGE SINGLE STOCK TURBO CERTIFICATES**

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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Certificate Fee: [ ]

Current Financing Level on the Trade Date: [ ]

Current Participation Factor on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in Constant Leverage Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [5:00 p.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]

Issuer Call Notice Period: [One day] [Three months] [*specify other*]

Maximum Spread: [ ]

Notional Dividend Amount: [Applicable] [Not Applicable]

Reference Asset: The Equity (as specified below)

Screen Page: [Bloomberg] [Reuters] [*other*]

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]



Settlement Date:	The day falling not later than the [number] [fifth] [tenth] Business Day following the Valuation Date, the last day of the Stop Loss Termination Valuation Period or the Issuer Call Date, as the case may be
Stop Loss Premium Rate:	[Five] [specify other] per cent.
Stop Loss Price on the Trade Date:	[ ]
Stop Loss Reset Time:	[The regular weekday opening time of the Exchange] [specify other]
Stop Loss Rounding Convention:	[Up] [Down] to the nearest [0.1] [one] [ten] [100] [1000] [unit[s]] [specify other]
Stop Loss Termination Valuation Period:	Stop Loss Termination Date and the [two] [number] Scheduled Trading Days immediately following the Stop Loss Termination Date and on which no Market Disruption Event has occurred
Target Leverage Factor:	[ ]
Trade Date:	[ ]
Valuation Date(s):	[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [specify other]

#### **ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s):	Relevant Currency Disruption [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow]
Correction Cut-Off Date:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [specify other]
Correction of Equity Price:	[Not Applicable] [Applicable]
Equity:	[ ] ([Bloomberg] Page: [ ])
Equity Issuer:	[ ]
Equity Substitution:	[Not Applicable] [Applicable]
Exchange:	[ ]

## Constant Leverage Single Stock Turbo Certificates

Extraordinary Event(s):	[Not Applicable]  [Applicable:  [De-listing]  [Merger Event]  [Nationalisation]  [Insolvency]  [Tender Offer]]
Maximum Days of Disruption:	For the purposes of:  Issuer Call Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days  Valuation Date: [Eight] [ <i>specify other</i> ] Scheduled Trading Days
Potential Adjustment Event(s):	[Applicable – as defined in Equity Linked Term 6 ( <i>Definitions</i> )] [Not Applicable]
Related Exchange:	[All Exchanges] [ ]
Relevant Currency:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Valuation Time:	[As defined in Equity Linked Term 6 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

### OPERATIONAL INFORMATION

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
Other Securities Code(s):	[ <i>Symbol</i> ]

### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset:	[ <i>Optional: consider inclusion of such additional information</i> ]]
Page where information about the past and further performance of the Reference Asset and its volatility can be obtained:	[ ]

### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by <i>[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]</i> other than pursuant to Article 3(2) of the Prospectus Directive in <i>[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]</i> during the period from <i>[specify date]</i> until <i>[specify date]</i> (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] <i>[specify other]</i>
Conditions to which the offer is subject:	[Not Applicable] <i>[give details]</i>
Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address <i>[Give details]</i> of Authorised Offeror(s):</p> <p>(b) Offer period for <i>[Give details]</i></p>

which use of the  
Base Prospectus is  
authorised by the  
Authorised  
Offeror(s):

- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s):
- The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. *[Insert any other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**COMMODITY BOOSTER TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in Booster Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [One day] [Three months] [*specify other*]

Maximum Spread: [ ]

Reference Asset: The Commodity (as specified below)

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: (a) In respect of the payment of an Exercise Cash Amount or an Issuer Call Cash Amount, the day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, or (b) if a Stop Loss Event has occurred on such day, such day

Stop Loss Price on the Trade Date: [ ]

Stop Loss Rounding Convention:	[Up] [Down] to the nearest [ <i>number</i> ] decimal places
Trade Date:	[   ]
Valuation Date(s):	[The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [ <i>specify other</i> ]
<b>ASSET TERMS APPLICABLE TO THE SECURITIES</b>	
Additional Disruption Event(s):	Relevant Currency Disruption  [Change in Law]  [Hedging Disruption]  [Increased Cost of Hedging]
Commodity:	[   ]  [ <i>Reuters Page: [XAU=]</i> <sup>1</sup> [ <i>XPT=</i> ] <sup>2</sup> [ <i>XAG=</i> ] <sup>3</sup> [ <i>XPD=</i> ] <sup>4</sup> [ <i>specify other</i> ]]
Commodity Reference Price:	[   ]
Correction Cut-Off Date:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Correction of Commodity Reference Price:	[Not Applicable] [Applicable]
Delivery Date:	[ <i>date</i> ] [Not Applicable]
Disruption Fallback(s):	Delayed Publication or Announcement and Postponement: [Applicable] [Not Applicable]  Postponement: [Applicable] [Not Applicable]  Fallback Reference Dealers: [Applicable] [Not Applicable]  Calculation Agent Determination: [Applicable] [Not Applicable]
Exchange:	[   ]

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<sup>1</sup> if gold

<sup>2</sup> if platinum

<sup>3</sup> if silver

<sup>4</sup> if palladium

Market Disruption Event(s):	<p>Applicable:</p> <p>[Price Source Disruption]</p> <p>[Trading Disruption]</p> <p>[Disappearance of Commodity Reference Price]</p> <p>[Material Change in Formula]</p> <p>[Material Change in Content]</p> <p>[Tax Disruption]</p>
Maximum Days of Disruption:	<p>For the purposes of:</p> <p>Issuer Call Date: [Five] [<i>specify other</i>] Scheduled Trading Days</p> <p>Valuation Date: [Five] [<i>specify other</i>] Scheduled Trading Days</p>
Price Source:	[ ]
Reference Dealers:	[ ]
Relevant Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Commodity and Commodity Futures Contract Linked Term 4 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Specified Price:	<p>For the purposes of:</p> <p>Reference Price: [The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [<i>specify other</i>]]</p> <p>Stop Loss Event Price: [The [high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [ask price] [average of the bid price and the ask price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [fixing] [spot price] [ask low] [ask high] [bid low] [bid high] [<i>specify other</i>]]</p>
Value Determination Date:	Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]

Other Securities Code(s): [Symbol]

# **INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: *[Optional: consider inclusion of such additional information]]*

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

## **[TERMS AND CONDITIONS OF OFFER**

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by *[specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known]* other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* during the period from *[specify date]* until *[specify date]* (the "**Offer Period**")]

Offer Price: [Issue Price] *[specify other]*

Conditions to which the offer is subject: [Not Applicable] *[give details]*

Description of the application process: [Not Applicable] *[give details]*

[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable] *[give details]]*

Details of the minimum and/or maximum amount of application: [Not Applicable] *[give details]*

Details of the method and time limits for paying up and delivering the Securities: [Not Applicable] *[give details]*

Manner in and date on which results of the offer are to be made public: [Not Applicable] *[give details]*

Whether tranche(s) have been reserved for certain countries: [Not Applicable] *[give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable] *[give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] *[give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes [Not Applicable] *[give details]*



place:

Consent:

[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:

- (a) Name and address [Give details]  
of Authorised  
Offeror(s):
- (b) Offer period for [Give details]  
which use of the  
Base Prospectus is  
authorised by the  
Authorised  
Offeror(s):
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**CURRENCY BOOSTER TURBO CERTIFICATES**

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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in Booster Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]

Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Spread: [ ]

Reference Asset: The Currency Exchange Rate (as specified below)

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: (a) In respect of the payment of an Exercise Cash Amount or an Issuer Call Cash Amount, the day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, or (b) if a Stop Loss Event has occurred on such day, such day

Stop Loss Price on the Trade Date: [ ]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [*number*] decimal places

Trade Date: [ ]

Underlying Currency: [ ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] *[specify other]*

**ASSET TERMS APPLICABLE TO THE SECURITIES**

Additional Disruption Event(s): Relevant Currency Disruption  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]

Correction Cut-Off Date: [As defined in Commodity and Commodity Futures Contract Linked Term 4 (*Definitions*)] *[specify other]*

Correction of Currency Exchange Rate: [Not Applicable] [Applicable]

Currency Exchange Rate: [ ] (*Bloomberg*) Page: [ ]

Currency Price: For the purposes of:  
Reference Price: The [high] [low] [bid] [ask] [spot] [mid] *[specify other]* price  
Stop Loss Event Price: The [high] [low] [bid] [ask] [spot] [mid] *[specify other]* price

Illiquidity Value Determination Date: [ ]

Market Disruption Event(s): Applicable:  
[General Inconvertibility]  
[General Non-Transferability]  
[Governmental Authority Default]  
[Illiquidity]  
[Material Change in Circumstance]  
[Nationalisation]  
[Price Source Disruption]  
[Specific Inconvertibility]  
[Specific Non-Transferability]

Maximum Days of Disruption: For the purposes of:  
Issuer Call Date: [Eight] *[specify other]* Scheduled Trading Days

Valuation Date: [Eight] [*specify other*] Scheduled Trading Days

Minimum Amount: [ ]

Reference Currency Notional Amount: [ ]

Relevant Currency: [As defined in Currency Linked Term 4 (*Definitions*)] [*specify other*]

Screen Page(s): For the purposes of:

Reference Price: ([*Bloomberg*] Page: [ ])

Stop Loss Event Price: ([*Bloomberg*] Page: [ ])

Standard Currency: [As defined in Currency Linked Term 4 (*Definitions*)] [*specify other*]

Valuation Time: [ ]

Value Determination Date: Each Valuation Date and the Issuer Call Date

#### OPERATIONAL INFORMATION

ISIN: [ ]

Common Code: [ ]

Fondscore: [ ]

Other Securities Code(s): [*Symbol*]

#### INFORMATION ON THE REFERENCE ASSET

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset: [*Optional: consider inclusion of such additional information*]]

Page where information about the past and further performance of the Reference Asset and its volatility can be obtained: [ ]

#### [TERMS AND CONDITIONS OF OFFER

Non-exempt Offer: [Not Applicable] [An offer of the Securities may be made by [*specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known*] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] during the period from [*specify date*] until [*specify date*] (the "**Offer Period**")]

Offer Price: [Issue Price] [*specify other*]

Conditions to which the offer is subject: [Not Applicable] [*give details*]

Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of Authorised Offeror(s): <i>[Give details]</i></p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): <i>[Give details]</i></p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. <i>[Insert any</i></p>

*other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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**INDEX BOOSTER TURBO CERTIFICATES**


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**GENERAL TERMS APPLICABLE TO THE SECURITIES**

Issue Date: [ ]

Issue Price: [ ]

Settlement Currency: [ ]

**PAYOUT TERMS APPLICABLE TO THE SECURITIES**

Current Financing Level on the Trade Date: [ ]

Current Spread on the Trade Date: [ ]

Entitlement: [ ]

Exchange Rate: [Not Applicable] [*exchange rate*]

Exchange Rate Price Source: [For the purposes of the Exercise Cash Amount or the Issuer Call Cash Amount: [WM Company] [Reuters] [Bloomberg] [*other*]] [Not Applicable]

Exercise Date: [As defined in Booster Turbo Payout Terms 3 (*Definitions*)] [[*number*] Business Days preceding the Scheduled Valuation Date]

Exercise Time: [10:00 a.m. Central European Time] [*specify other*]

Financing Level Currency: [ ]

Issuer Call Commencement Date: [*date*] [First Business Day following the Issue Date]Issuer Call Notice Period: [Three months] [*specify other*]

Maximum Spread: [ ]

Notional Dividend Amount: [Applicable] [Not Applicable]

Reference Asset: The [Commodity Index] [Index] (as specified below)

Securities Exchange: [Euronext Amsterdam N.V. by NYSE Euronext] [*specify other*]

Settlement Date: (a) In respect of the payment of an Exercise Cash Amount or an Issuer Call Cash Amount, the day falling not later than the [*number*] [fifth] [tenth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, or (b) if a Stop Loss Event has occurred on such day, such day

## Index Booster Turbo Certificates

Stop Loss Price on the Trade Date: [   ]

Stop Loss Rounding Convention: [Up] [Down] to the nearest [one] [two] [*specify other*] decimal places

Trade Date: [   ]

Valuation Date(s): [The last Scheduled Trading Day of March in each calendar year, commencing no earlier than one calendar year following the Trade Date] [*specify other*]

### ASSET TERMS APPLICABLE TO THE SECURITIES

Additional Disruption Event(s): Relevant Currency Disruption

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Commodity Index] [Index]: [   ] (*[Bloomberg] Page: [   ]*)

Correction Cut-Off Date: [As defined in Index Linked Term 4 (*Definitions*)] [*specify other*]

Correction of Index Level: [Not Applicable] [Applicable]

Exchange: [   ]

Index Sponsor: [   ]

Market Disruption Event(s): [Single-Exchange Index: As defined in Index Linked Term 7 (*Definitions*)]

[Multi-Exchange Index: As defined in Index Linked Term 7 (*Definitions*)]

[Proprietary Index: As defined in Index Linked Term 7 (*Definitions*)]

[Commodity Index:

[Price Source Disruption]

[Trading Suspension]

[Disappearance of Price]

[Material Change in Formula]

[Material Change in Content]

[Tax Disruption]

[Trading Limitation]

[Imposition of Limit Price]]



Maximum Days of Disruption:	For the purposes of:  Issuer Call Date: [Eight] [Five] [ <i>specify other</i> ] Scheduled Trading Days  Valuation Date: [Eight] [Five] [ <i>specify other</i> ] Scheduled Trading Days
Related Exchange:	[All Exchanges] [ ]
Relevant Currency:	[As defined in Index Linked Term 7 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Standard Currency:	[As defined in Index Linked Term 7 ( <i>Definitions</i> )] [ <i>specify other</i> ]
Type of Index:	[Single-Exchange Index] [Multi-Exchange Index] [Proprietary Index] [Commodity Index]
Valuation Time:	[ ] [As defined in Index Linked Term 7 ( <i>Definitions</i> )]
Value Determination Date:	Each Valuation Date and the Issuer Call Date

**OPERATIONAL INFORMATION**

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
Other Securities Code(s):	[ <i>Symbol</i> ]

**INFORMATION ON THE REFERENCE ASSET**

[Additional provisions, not required by the relevant securities note, relating to the Reference Asset:	[ <i>Optional: consider inclusion of such additional information</i> ]]
Page where information about the past and further performance of the Reference Asset and its volatility can be obtained:	[ ]

**[TERMS AND CONDITIONS OF OFFER**

Non-exempt Offer:	[Not Applicable] [An offer of the Securities may be made by [ <i>specify names and addresses of financial intermediaries/placers making non-exempt offers, to the extent known</i> ] other than pursuant to Article 3(2) of the Prospectus Directive in [ <i>specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported</i> ] during the period from [ <i>specify date</i> ] until [ <i>specify date</i> ] (the " <b>Offer Period</b> ")]
Offer Price:	[Issue Price] [ <i>specify other</i> ]
Conditions to which the offer is subject:	[Not Applicable] [ <i>give details</i> ]

Description of the application process:	[Not Applicable] <i>[give details]</i>
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	[Not Applicable] <i>[give details]</i>
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable] <i>[give details]</i>
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] <i>[give details]</i>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable] <i>[give details]</i>
Consent:	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of Authorised Offeror(s): <i>[Give details]</i></p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): <i>[Give details]</i></p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. <i>[Insert any</i></p>

*other conditions]*

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).]

[Not applicable: the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

*[Repeat as above for each new Series]*

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SUMMARY

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*[issue specific summary to be extracted from Summary section of the Base Prospectus with appropriate deletions of non-applicable information and insertion of missing details]*

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**SWISS ANNEX**


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[THESE SECURITIES PROVIDE FOR A DYNAMIC STRUCTURE WITH REGARD TO AN ADJUSTMENT OF THE REFERENCE ASSET] [*SPECIFY OTHER*]

**THE SECURITIES DO NOT CONSTITUTE UNITS OF COLLECTIVE INVESTMENT SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("CISA") AND ARE NOT SUBJECT TO THE APPROVAL OF, OR SUPERVISION BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA"). HOLDERS OF THE SECURITIES ARE EXPOSED TO THE CREDIT RISK OF THE ISSUER.**

*In respect of Securities to be listed on the SIX Swiss Exchange Ltd, the Programme, together with any Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange Ltd.*

First Scoach Switzerland Trading Day:	[The Issue Date] [ <i>specify other</i> ]
Last Scoach Switzerland Trading Day:	[ ] [trading on Scoach Switzerland Ltd. until official close of trading on Scoach Switzerland Ltd. on that day]
Minimum Trading Size:	[ ]
Payment Day:	[Issue Date] [Not Applicable]
Type of quoting (in case of interest component):	[flat/dirty trading or clean trading] [Not Applicable]
Minimum Exercise:	[ ]
Swiss Agent:	[The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, CH-8022 Zurich, Switzerland, phone +41 44 285 58 58, fax +41 44 285 56 17] [ <i>specify other</i> ]
Governing Law:	The Securities are subject to English law
Jurisdiction:	The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with the Securities
Recognised Representative for the purpose of Article 43 Listing Rules of the SIX Swiss Exchange Ltd:	[The Royal Bank of Scotland plc, Edinburgh, Zurich of Branch, Lerchenstrasse 24, P.O. Box 2921, CH-8022 Zurich, Switzerland, phone +41 44 285 58 58, fax +41 44 285 56 17] [ <i>specify other</i> ]
Announcements to Holders / Publications:	Any notices or publications to be made to Holders will be made through the online information system of SIX Swiss Exchange Ltd., by publishing on SIX Swiss Exchange's website <a href="http://www.six-exchange-regulation.com/publications/communications/official_notices_en.html">http://www.six-exchange-regulation.com/publications/communications/official_notices_en.html</a> .
Issue Size of Series or Number of Securities:	[ ]

Interest Ex-Date (in case of interest component):	[ ] [Not Applicable]
[Information on the Reference Asset(s):	[●]] <i>(Include any information required under section 4 of Scheme F (Derivatives) (see <a href="http://www.six-exchange-regulation.com/admission_manual/04_08-SCHF_en.pdf">http://www.six-exchange-regulation.com/admission_manual/04_08-SCHF_en.pdf</a> for further details) that is not included elsewhere in the Final Terms; otherwise delete)</i>

### **No Significant Change and No Material Adverse Change**

There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2012 (the end of the last financial period for which audited financial information of the Group has been published).

There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2012 (the date of the last published audited financial information of the Group).

### **Responsibility Statement**

The Issuer accepts responsibility for the information contained in the Base Prospectus, as completed by these Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in the Base Prospectus, as completed by these Final Terms, is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**FORM OF THE SECURITIES**


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**Securities for which the Clearing Agent is specified to be Euroclear Bank S.A./N.V. and/or Clearstream Banking in the relevant Final Terms**
***Initial Issue of Securities***
***Global Securities in bearer form***

Global Securities in bearer form may be delivered on or prior to the original issue date of the related Series of Securities to a Clearing Agent or the depositary for one or more Clearing Agents (the "**Common Depositary**").

Upon the initial deposit of a Global Security in bearer form with a Common Depositary for a Clearing Agent, such Clearing Agent will credit each subscriber with a nominal amount or unit quantity of Securities equal to the nominal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary for a Clearing Agent (the "**Relevant Clearing Agent**") may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other Clearing Agents through direct or indirect accounts with the Relevant Clearing Agent held by such other Clearing Agents. Conversely, Securities that are initially deposited with any other Clearing Agent may similarly be credited to the accounts of subscribers with the Relevant Clearing Agent.

***Relationship of Accountholders with Clearing Agents***

For so long as any of the Securities is represented by a Global Security and such Global Security is held on behalf of one or more Clearing Agents, each person who is for the time being shown in the records of a Clearing Agent as the holder of a particular nominal amount or unit quantity of Securities (an "**Accountholder**") shall be treated as the holder of that nominal amount or unit quantity of Securities for all purposes other than with respect to the payment of any amount on the Securities, the right to which shall be vested, as against the Issuer, solely in the bearer of a Global Security in accordance with and subject to its terms. Each Accountholder must look solely to the relevant Clearing Agent for its share of each payment made to the bearer of a Global Security.

The Issuer covenants in favour of each Accountholder that it will make all payments in respect of the nominal amount or unit quantity of Securities for the time being shown in the records of the relevant Clearing Agents as being held by the Accountholder and represented by a Global Security to the bearer of a Global Security in accordance with its terms and acknowledges that each Accountholder may take proceedings to enforce this covenant and any of the other rights which it has (described under the preceding paragraph) directly against the Issuer.

***Exchange***

Each permanent Global Security in bearer form will be exchangeable on or after its Exchange Date (as defined below), in whole but not in part, at the request of the Holder, for Definitive Securities in bearer form (as defined below):

- (a) if such permanent Global Security is held by a Clearing Agent and any such Clearing Agent is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently or does in fact do so and the Holder is unable to settle such Securities through any non-affected Clearing Agent; or
- (b) if so specified in the relevant Final Terms, in an aggregate nominal amount or unit quantity equal to the nominal amount or unit quantity of such permanent Global Security submitted for exchange by the Holder,

provided that in each case, certification as to non-U.S. beneficial ownership in the form required by the relevant Clearing Agent has been provided to such Clearing Agent with respect to such nominal amount or unit quantity submitted for such exchange.

***Delivery of Securities***

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Issuer will in the case of a Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, an equal aggregate nominal amount or unit quantity of duly executed and authenticated Definitive Securities. In this Base Prospectus, "**Definitive Securities**" means, in relation to any Global Security the definitive bearer Securities, as applicable, for which such Global Security may be exchanged. Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form available from the offices of the Issuer.

***Exchange Date***

"**Exchange Date**" means, in relation to a permanent Global Security in bearer form, the first day following the giving of notice requiring exchange and on a day on which banks are open for business in the city in which the specified office of the Principal Agent is located and in the city in which the relevant Clearing Agent is located.

**No Securities in registered form**

No Securities may be issued in global registered form or definitive registered form.

**Securities in certificated form**

All Securities, other than Dematerialised Securities, will be issued in certificated form.

**Securities in dematerialised form**

Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the "**Rules**"). Accordingly, in these Terms and Conditions, the term "**Holder**" means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

**Clearing Agents**

Please refer to the section titled "Clearing Agents" for information on the Clearing Agents.



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## CLEARING AGENTS

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*Clearing and settlement of the Securities will be effected in accordance with the operating procedures of Euroclear, Clearstream, Luxembourg or any other Clearing Agent, as applicable. The information below is derived from publicly available information on the rules and procedures of the relevant Clearing Agent. Such rules and procedures are subject to change. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### **Euroclear and Clearstream, Luxembourg**

Custodial and depositary links have been established with Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Securities and cross-market transfers of the Securities associated with secondary market trading.

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders and provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also provide clearance and settlement facilities for domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system.

Distributions of principal and interest and any other amounts with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Principal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

The holdings of book-entry interests in Securities in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Beneficial ownership in Securities will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Securities, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Securities. The Principal Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Securities holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be. Payments to holders of Securities represented by Definitive Securities will be made in accordance with the Terms and Conditions.

The Issuer will not impose any fees in respect of the Securities; however, holders of book-entry interests in the Securities may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

### **Trading between Euroclear and/or Clearstream, Luxembourg Accountholders**

Secondary market sales of book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Securities through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of

Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

### **SIX SIS Ltd**

SIX SIS Ltd has been part of SIX Group since January 2008. SIX Group was formed at the beginning of 2008 through the merger of SWX Group, SIS Group and Telekurs Group.

As both a central securities depository and an international central securities depository, SIX SIS Ltd offers banks and other financial market participants the safe custody of securities, a full range of custody services and the settlement of securities transactions. SIX SIS Ltd settles securities transactions worldwide, including transactions in uncertificated securities.

In the Swiss market, SIX SIS Ltd is part of the so-called Swiss value chain. The links to the SIX Swiss Exchange Ltd and the payment systems SIC/euroSIC, ensure fully automated settlement in central bank money.

### **Euroclear Sweden**

Euroclear Sweden is a subsidiary within the Euroclear group of companies. Euroclear Sweden is a limited liability company authorised and regulated by the Swedish Financial Supervisory Authority as a central securities deposit within the meaning of the Swedish Financial Instruments Accounts Act (1998:1479 (as amended)) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528 (as amended)). Securities will be issued in dematerialised and uncertified book-entry form which are cleared through Euroclear Sweden in accordance with the applicable Clearing Agent Rules. No physical global Security will be issued in respect of the Securities. All transactions relating to the Securities which are cleared through Euroclear Sweden (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations. Consequently, in order to effect such entries Holders must establish a book-entry account through a credit institution or a securities firm acting as an account operator with Euroclear Sweden. More information regarding Euroclear Sweden and its rules and operating procedures can be found at its internet web site at <http://www.ncsd.eu>.

### **Euroclear Finland**

Euroclear Finland holds securities for their customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its account holders. Euroclear Finland provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear Finland also deals with domestic securities markets in several countries through established depository and custodial relationships. Euroclear Finland customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

### **Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Netherlands)**

Euroclear Netherlands is the Central Securities Depository ("CSD") of the Netherlands. It was established in 1977 as NECIGEF and its registered address is Herengracht, 459-469, 1017 BS Amsterdam, The Netherlands (subject as may change from time to time).

Together with the Belgian and French CSDs, Euroclear Nederland operates the Euroclear Settlement of Euronext-zone Securities ("ESES") platform. Using one operational facility for three markets, ESES makes cross-border settlement as low-cost and straightforward as domestic transactions.

ESES provides settlement and custody services for a wide range of corporate and government securities, including those traded on the NYSE Euronext Amsterdam, Brussels and Paris exchanges. ESES clients can also now benefit from an efficient triparty collateral management solution.

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TAXATION

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***ALL INVESTORS (INCLUDING NON-U.S. INVESTORS) ARE URGED TO READ RISK FACTOR 2(T) (PAYMENTS ON THE SECURITIES MAY BE SUBJECT TO U.S. WITHHOLDING TAX AND/OR EARLY TERMINATION ON ACCOUNT OF U.S. WITHHOLDING TAX) AND RISK FACTOR 2(U) (U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING AND FORCED SALE) FOR A DISCUSSION ABOUT POSSIBLE WITHHOLDING (AND FORCED SALE) UNDER FATCA AND WITHHOLDING WITH RESPECT TO DIVIDEND EQUIVALENT PAYMENTS.***

***Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Security should consult their professional tax advisers.***

### 1. GENERAL

Purchasers of Securities may be required to pay stamp taxes and/or other charges in accordance with the laws and practices of the country of purchase in addition to the issue or purchase price of each Security.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer or exercise of any Securities.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each purchaser and may be subject to change in the future.

### 2. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), EU member states, subject to the following exceptions, are required to provide to the tax authorities of another EU member state details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual resident in that other EU member state or to certain limited types of entities established in that other EU member state. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### 3. PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission produced a proposal for a council directive on a common system of financial transaction tax ("**FTT**") to be implemented under enhanced co-operation by 11 Member States, namely Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**FTT Member States**"). If all participating Member States agree implementing legislation by 30 September 2013, it is proposed that the FTT will apply in those 11 Member States from 1 January 2014. The proposal is not yet in final form. Moreover, it is understood that the UK has mounted a legal challenge at the Court of Justice of the EU against certain aspects of the current proposal.

If adopted in its current form then, subject to certain exemptions, the FTT will apply to Financial Transactions as defined below:

- (a) purchases or sales of a wide range of "financial instruments" which is very broadly defined and includes shares, bonds, money-market instruments and many other instruments; and
  - (b) the conclusion or transfer of derivative contracts
- (each a "**Financial Transaction**").

FTT will be chargeable at rates to be determined by each participating member state, but that rate must be set at least equal to:

- (i) 0.1 per cent. of the price paid or, if higher, the market value of the financial instruments under (a) above; and
- (ii) 0.01 per cent. of the notional value of the derivative contract under (b) above.

In order for FTT to apply to a particular Financial Transaction, at least one party must be a financial institution and either:

- (A) at least one party must be "established" in an FTT Member State; or
- (B) the underlying financial instrument must be issued by an entity established in an FTT Member State.

The FTT will thus primarily be a tax levied on financial institutions (such as banks, credit institutions and pension funds) in the secondary market. Such financial institutions may choose to transfer the FTT cost on to the holders of Securities, who may consequently suffer additional transaction costs. In addition, the FTT could increase the expenses that the Issuer incurs in entering hedging or other transactions and that could reduce the returns payable to the holders of Securities.

#### 4. UNITED KINGDOM

**The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuer's understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs ("HMRC") practice relating only to certain aspects of United Kingdom taxation. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities and should not be relied upon by Holders or prospective Holders of Securities. Some aspects do not apply to certain classes of person (such as persons carrying on a trade of dealing in Securities and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Holders of Securities depends on their individual circumstances and may be subject to change in the future. The precise tax treatment of a Holder of Securities will depend for each issue on the terms of the Securities, as specified in the Terms and Conditions of the Securities. For United Kingdom tax purposes, the term "Security" or "Securities" refers to instruments of the type described in this Base Prospectus and is not intended to be determinative (or indicative) of the nature of the instrument for the purposes of United Kingdom taxation. Prospective Holders of Securities who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

##### **Withholding on account of United Kingdom tax**

Payments made in respect of the Securities may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded as interest, manufactured payments or annual payments for United Kingdom tax purposes.

Even if such payments were to be regarded as interest, manufactured payments or annual payments for United Kingdom tax purposes, the Issuer should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments made in respect

of the Securities provided that the Securities are derivative contracts, the profits and losses arising from which are calculated in accordance with the provisions of Part 7 of the Corporation Tax Act 2009 (which broadly they should be provided that they are options, futures or contracts for differences for the purposes of Part 7 of that Act, are derivatives for the purposes of FRS25 (or International Accounting Standard 32) and are not excluded for the purposes of Part 7 of that Act by virtue of their underlying subject matter).

### **Interest on the Securities**

If payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, such payments may be made without deduction or withholding for or on account of United Kingdom income tax, provided that the Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**Act**"), and provided that any such interest is paid in the ordinary course of the Issuer's business within the meaning of section 878 of the Act.

Payments of interest on or in respect of the Securities may also be made without deduction or withholding for or on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. Provided, therefore, that the Securities are and remain so listed, interest on the Securities will be payable without withholding or deduction for or on account of United Kingdom income tax.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where interest on or in respect of the Securities is paid by the Issuer and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on or in respect of the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on or in respect of the Securities on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder of Securities, HMRC can issue a notice to the Issuer to pay interest to the Holder of Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty, as applicable).

Holders of Securities may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner) from any person in the United Kingdom who either pays or credits interest (or amounts treated as interest) to, or receives interest (or amounts treated as interest) for, the benefit of a Holder of Securities. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to, or receives such amounts for, the benefit of another person, although HMRC published practice indicates that HMRC will not generally exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2014. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by

HMRC with the tax authorities of the jurisdiction in which the Holder of Securities is resident for tax purposes.

### **Stamp Duty**

#### *Stamp duty on the issue of Securities*

Subject to the following paragraph, no stamp duty will generally be payable in relation to the issue of Securities.

A charge to United Kingdom stamp duty at a rate of 1.5 per cent. of the value of the Securities may arise on the issue of Securities in bearer form where such Securities are denominated in sterling and do not constitute loan capital for the purposes of section 78 Finance Act 1986 ("**FA 1986**") ("**Loan Capital**").

#### *Stamp duty on the transfer of Securities*

No United Kingdom stamp duty should be required to be paid on transfers of Securities on sale provided no instrument of transfer is used to complete such sales.

An instrument transferring Securities on sale may be subject to stamp duty at a rate of 0.5 per cent. (or 1.5 per cent. in the case of a transfer to a Clearance Service (as defined below) or to a person issuing depositary receipts) of the consideration paid for the Securities if the Securities are not Exempt Loan Capital (as defined below).

#### *Stamp duty on the exercise or redemption of Securities*

No United Kingdom stamp duty should be payable in relation to the exercise or redemption of a Security which is cash settled.

### **Stamp duty reserve tax ("SDRT")**

For the purposes of the preceding and following paragraphs, "**Exempt Loan Capital**" means any security which constitutes Loan Capital and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise); (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exceptions has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

#### ***SDRT on Loan Securities***

The following analysis applies to Securities which are capable of being cash settled only, which constitute stock and/or loan capital for the purposes of section 99(3) FA 1986 (each a "**Loan Security**" or a "**Cash Settled Loan Security**").

#### *SDRT on the issue of Loan Securities to a Clearance Service*

No SDRT should be payable in relation to the issue to any person providing a clearance service, or a nominee for any such person, within the meaning of section 96 FA 1986 (a "**Clearance Service**") of a Loan Security provided that it is Exempt Loan Capital.

Subject to the comments in the paragraph below regarding a decision of the European Court of Justice (the "**ECJ**") (as it then was) and a decision of the First-tier Tax Tribunal, except where an election has been made under which the alternative system of charge as provided for in section 97A FA 1986 (a "**s97A Election**") applies, SDRT should generally be payable in relation to the issue to a Clearance Service of a Loan Security which is not Exempt Loan

Capital, unless that Loan Security is in bearer form and either: (a) it is denominated in sterling; or (b) it is not denominated in sterling (and if it is a loan that is repayable in sterling this is solely at the option of the holder) and either raises new capital or is issued in exchange for an instrument raising new capital, in each case for the purposes of section 97(3)(b) FA 1986. Any such SDRT would be payable at a rate of 1.5 per cent. of the issue price.

Following the ECJ decision in C-569/07 HSBC Holdings plc and Vidasco Nominees Ltd v The Commissioners of Her Majesty's Revenue & Customs (Case C-569/07) and the First-tier Tax Tribunal decision in HSBC Holdings Plc and the Bank of New York Mellon Corporation v The Commissioners of Her Majesty's Revenue & Customs, HMRC has indicated that it will not seek to collect 1.5 per cent. SDRT when new shares are first issued to an EU or non-EU clearance service or EU or non-EU depositary receipt system. HMRC accepts that these decisions are equally applicable to the issue of securities into clearance services or depositary receipt systems where the security is a debt security which falls within the scope of Article 5(2)(b) of the Capital Duties Directive. Other securities will be considered on a case by case basis.

*SDRT on the transfer of Loan Securities held within a Clearance Service where no s97A Election has been made*

SDRT should generally not be payable in relation to an agreement to transfer a Loan Security held within a Clearance Service provided that no s97A Election applies in respect of the Security.

*SDRT on the transfer of Loan Securities held outside a Clearance Service or held within a Clearance Service where a s97A Election has been made*

In the case of Loan Securities held outside a Clearance Service or Loan Securities held within a Clearance Service where a s97A Election has been made, no SDRT should be payable in relation to any agreement to transfer a Loan Security provided that it is Exempt Loan Capital.

In the case of Loan Securities held outside a Clearance Service or Loan Securities held within a Clearance Service where a s97A Election has been made, SDRT should generally be payable in relation to any agreement to transfer a Loan Security which is not Exempt Loan Capital, unless that Loan Security is in bearer form and any agreement to transfer those securities is not made in contemplation of, or as part of an arrangement for, a takeover of the body corporate which issued the instrument and: (a) it constitutes Loan Capital, it is listed on a recognised stock exchange and it carries no right to obtain securities which are not so listed (for example by way of conversion or exchange); (b) it was not exempt from stamp duty on issue because it does not constitute Loan Capital and it is denominated in sterling; or (c) it was exempt from stamp duty on issue solely because it is denominated in a currency other than sterling and it is listed on a recognised stock exchange. Any such SDRT would be payable at a rate of 0.5 per cent. of the consideration given under an agreement to transfer such Loan Securities, unless the transfer is to a Clearance Service or to a person issuing depositary receipts (or to an agent or nominee of such a person) where SDRT may be payable at a rate of 1.5 per cent.

***SDRT on Option Securities***

The following analysis applies to Securities which are capable of being cash settled only and which do not constitute stock and/or loan capital for the purposes of section 99(3) FA 1986 (each an "**Option Security**" or a "**Cash Settled Option Security**").

*SDRT on the issue of Option Securities to a Clearance Service*

No SDRT should be payable in relation to the issue of a Cash Settled Option Security to a Clearance Service unless such Security is either (a) an interest in stocks, shares or loan capital that is not Exempt Loan Capital or (b) an interest in dividends or other rights arising out of such stocks, shares or loan capital.

*SDRT on the transfer of Option Securities held within a Clearance Service*

SDRT should generally not be payable in relation to an agreement to transfer Option Securities held within a Clearance Service, provided no s97A Election has been made.

*SDRT on the transfer of Option Securities held outside a Clearance Service or held within a Clearance Service where a s97A Election has been made*

No SDRT should be payable in relation to an agreement to transfer a Cash Settled Option Security which is held outside a Clearance Service or which is held within a Clearance Service where a s97A Election has been made unless such Security is either (a) an interest in stocks, shares or loan capital that are not Exempt Loan Capital or (b) an interest in dividends or other rights arising out of such stocks, shares or loan capital.

## 5. SWITZERLAND

The following is a general summary of the Issuer's understanding of certain Swiss tax consequences in relation to dealings in the Securities according to the currently valid Swiss tax laws and the Swiss tax authorities' practice as at the date of publication of this Base Prospectus. This outline is a summary and not exhaustive and does not take into consideration possible special circumstances of some investors. Tax laws and the tax authorities' practice may undergo changes (or their interpretation or application may change) and their validity might also be retroactive.

Potential investors should consult their own tax advisors, legal advisers or financial consultants regarding their personal tax situation when entering into transactions with reference to the Securities.

- (a) General Information. The Swiss tax treatment of notes, bonds and other financial instruments are primarily regulated pursuant to the conditions set forth in the Circular Letter no. 15 of the Federal Tax Administration regarding the treatment of Bonds and Derivatives Financial Instruments for the purpose of the Federal Income Tax, Federal Withholding Tax and Federal Stamp Duties, as published on 7 February 2007. These rules are usually also applied by the Cantonal and Communal tax authorities. It should be noted that the Swiss tax terms "notes" and "bonds" are not consistent with the corresponding terms stipulated by Swiss security laws and the international or foreign understanding of such terms.
- (b) Swiss Stamp Taxes. The issuance of Securities issued by a foreign resident issuer is in general not subject to the Swiss Issue Stamp Tax ("*Emissionsabgabe*"). Secondary market transactions of Securities which are considered as (debt) financing instruments, share-like products, fund-like products and low exercise price options (LEPO) on shares with maturity more than one year and the issuance of fund-like Securities issued by a foreign resident issuer are subject to the Swiss Securities Transfer Tax, provided that a Swiss securities dealer ("*Effektenhändler*"), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties ("*Stempelabgabengesetz*"), is a party to the Securities transaction or acts as an intermediary thereto. Certain exemptions may, inter alia, apply with regard to institutional investors such as mutual funds, life insurance companies and social security institutions. Pure derivatives for Swiss tax purposes like options and futures do normally not classify as taxable securities and are therefore not subject to Swiss Issue Stamp Tax and Swiss Securities Transfer Tax. If upon the exercise or redemption of a Security an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax.
- (c) Swiss Withholding Tax. Securities issued by a foreign resident issuer are in general not subject to Swiss withholding tax. Payments or credit of (deemed) interest or dividends on a Security issued by a Swiss resident issuer may be subject to Swiss federal withholding tax at a rate of 35 per cent. This may apply likewise to payments or credits of yield from Securities which classify for tax purposes as fund-like products. The holder of a Security who is resident in Switzerland may be entitled to a full refund of or



a full tax credit for the Swiss federal withholding tax, subject to conditions being met. A non-Swiss resident holder of a Security may be able to claim a full or partial refund of the Swiss federal withholding tax if such a holder is entitled to claim benefits with regard to such a payment of a double taxation treaty between Switzerland and his or her country of residence.

- (d) **Swiss Income Tax Treatment for Securities Held by Private Investors (Individuals) with Tax Residence in Switzerland as Part of their Private Assets.** Payments or credits received by a holder of a Security, which are considered in a Swiss tax perspective as dividends or interests, are subject to income tax. Gains or losses realised upon a sale or other disposition by individuals with tax residence in Switzerland holding a Security as part of their private assets (private capital gain or losses) are in general not subject to Swiss Income Tax and are not deductible from taxable income respectively. However, capital gains may be subject to income taxation, if a Security qualifies as predominant one-time interest paying bond. Also gains or losses realised by buying or selling of pure derivatives for Swiss tax purposes (options and futures) are not subject to income tax as they are considered as tax-exempt capital gains or losses. Whether a Security generates taxable income (dividend and interest) or tax-exempt capital gains is depending on certain features of the Security (1-delta pay-off, reverse convertible, guaranteed coupon payments or capital protection etc.), on the underlying of the Security and on the maturity of the Security. Some Securities may be divided into taxable bonds and a tax-exempt option (or combinations of options) provided that the Security is, for Swiss tax purposes, made transparent by the issuer. A Security is considered transparent if the value on issuance of its bond and its option components can be determined separately. Under the condition of transparency, the option premium paid by the issuer is exempt from income taxation (where otherwise applicable); taxation is limited to the interest of the bond part which would have been paid for an investment in a comparable straight bond of the same issuer with a similar term and the same currency at market conditions. If the interest part of the Security is paid as a one-time compensation, the so-called "*modifizierte Differenzbesteuerung*" may apply in each case of pre-maturity sale or redemption of the Security. If a Security is not made transparent for Swiss tax purposes (only if the security needs to be transparent for Swiss tax purposes) the total payment to the investor (except the repayment of the invested capital) could be considered as taxable income.
- (e) **Swiss Income Tax Treatment for Securities Held by Swiss Resident Entities or Individuals as Part of Business Assets.** Income of any kind realised from Securities as part of business assets of individuals (including deemed securities dealers for Swiss tax purposes) or entities in Switzerland are subject to personal income tax or corporate income tax respectively as part of their overall net income.
- (f) **Wealth Taxation of Securities Held by Private Investors (Individuals) with Tax Residence in Switzerland.** The market value of the Securities may be subject to wealth tax levied on overall net wealth of individuals with tax residence in Switzerland, regardless of whether the Securities are held as part of their private or business assets.
- (g) **EU Savings Tax.** On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopts measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement came into force as of 1 July 2005. On the basis of this agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid by a paying agent within Switzerland to an individual resident in an EU member state. The withholding tax is withheld at a rate of 15 per cent. for the first three years beginning with 1 July 2005, 20 per cent. for the next three years and 35 per cent. thereafter, with the option of such an individual to have the paying agent and Switzerland provide to the tax authorities of the Member State details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, provided that certain

conditions are met. Securities issued under this programme may be subject to EU Savings Tax. The qualification regarding "in scope" or "out of scope" of the EU Savings Tax is depending on certain features of the Security and on the reference asset of the Security.

- (h) Final Withholding Tax. In autumn 2011 and April 2012, Switzerland signed bilateral withholding tax agreements with the United Kingdom and Austria. Both agreements entered into force on 1 January 2013. The implementation of the withholding tax agreements are governed by the Federal Act on International Withholding Tax (IwTA), which was brought into force by the Federal Council on 20 December 2012. On the basis of these withholding tax agreements, Switzerland introduced a final withholding tax on investment income and capital gains. For paying agents in Switzerland, the Securities might be subject to the final withholding tax, if they are held directly or indirectly by a relevant person resident in the United Kingdom or in Austria. Negotiations on similar agreements are under way with Greece and Italy. Other countries both within and outside Europe have also shown an interest.

## 6. THE NETHERLANDS

For the purposes of this section, "the Netherlands" shall mean that part of the Kingdom of the Netherlands that is in Europe.

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## 7. BELGIUM

The following is a general summary of the Issuer's understanding of certain Belgian tax consequences in relation to dealings in the Securities according to the currently valid Belgian tax laws and the Belgian tax authorities' practice as at the date of publication of this Base Prospectus. This outline is a summary and not exhaustive and does not take into consideration possible special circumstances of some investors. Tax laws and the tax authorities' practice may undergo changes (or their interpretation or application may change) and their validity might also be retroactive.

Potential investors should consult their own tax advisors, legal advisers or financial consultants regarding their personal tax situation when entering into transactions with reference to the Securities.

### **Belgian income tax regime regarding Securities**

- (a) Belgian withholding tax and income tax treatment

- (i) *Tax treatment of Belgian resident individuals*

Individuals who are Belgian residents for tax purposes, i.e., individuals subject to the Belgian individual income tax ("*Personenbelasting*" / "*Impôt des personnes physiques*"), and who hold the Securities as a private investment are subject to the following tax treatment in Belgium with respect to the Securities. Other tax rules apply to Belgian resident individuals holding the Securities not as a private investment but in the framework of their professional activity or when the transactions with respect to the Securities fall outside the scope of the normal management of their own private estate.

Under Belgian tax law, "interest" income includes: (A) periodic interest income, (B) any amount paid by the Issuer in excess of the Issue Price on the Settlement Date and (C) if the Securities would qualify as "fixed income securities" (within the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Securities prior to final settlement by the Issuer, the income

equal to the pro rata of accrued interest corresponding to the detention period. In general, securities are qualified as fixed income securities if there is a causal link between the amount of interest income and the detention period of the securities, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the securities during their lifetime. In the absence of a minimum return, invested capital protection and periodic coupon payments or period interest clicks, the chances that the Securities will be treated as fixed income securities for Belgian tax purposes are small.

Payments of interest (as defined above) on the Securities made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes in principle the final income tax for Belgian resident private individuals.

If the interest is paid outside of Belgium without the intervention of a paying agent in Belgium or if otherwise no Belgian withholding tax is levied, the interest received on the Securities (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return of the holder of the Securities and will in principle be taxed at a flat rate of 25 per cent., without communal surcharges since the Issuer is established within the European Economic Area.

Capital gains realised upon the sale of the Securities are, in principle, tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless and to the extent the capital gains qualify as interest (as defined above). Capital losses incurred upon the sale or final settlement are, in principle, not tax deductible.

(ii) *Tax treatment of Belgian resident corporations*

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting*" / "*Impôt des sociétés*"), are subject to the following tax treatment in Belgium with respect to the Securities.

Interest derived by Belgian corporate investors on the Securities and capital gains realised on the Securities will be subject to Belgian Corporate Income Tax at the ordinary rate of 33.99 per cent. Capital losses on the Securities are in principle tax deductible.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals" above) on the Securities made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding tax). However, the interest can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

(iii) *Tax treatment of Organisations for Financing Pensions*

Belgian pension fund entities that have the form of an Organisation for Financing Pensions ("**OFP**") are in general subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting*" / "*Impôt des sociétés*"). OFPs are subject to the following tax treatment in Belgium with respect to the Securities.

Interest derived on the Securities and capital gains realised on the Securities will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Any Belgian withholding tax that has been levied is creditable and refundable in

accordance with the applicable legal provisions. Capital losses on the Securities are, in principle, not tax deductible.

(iv) *Tax treatment of other Belgian legal entities*

Legal entities that are Belgian residents for tax purposes, i.e., that are subject to the Belgian tax on legal entities ("*Rechtspersonenbelasting*" / "*Impôt des personnes morales*"), are subject to the following tax treatment in Belgium with respect to the Securities.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals" above) on the Securities made through a paying agent in Belgium will, in principle, be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e., without the intervention of a Belgian paying agent and without deduction of the Belgian withholding tax, the legal entity itself is liable for the deduction and payment of the Belgian 25 per cent. withholding tax.

Capital gains realised on the sale of the Securities are in principle tax exempt, unless and to the extent the capital gain qualifies as interest (as defined in the section entitled "Tax treatment of Belgian resident individuals" above). Capital losses on the Securities are, in principle, not tax deductible.

(v) *Tax treatment of Belgian non-residents*

The interest income on the Securities paid to a Belgian non-resident outside of Belgium, i.e., without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax.

Interest income on the Securities paid through a Belgian professional intermediary will, in principle, be subject to a 25 per cent. Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident holders that have not allocated the Securities to business activities in Belgium can also obtain an exemption from Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock broker company or a Belgian clearing or settlement institution and provided that (A) the non-resident Issuer has not allocated the Securities to a Belgian establishment and that (B) the non-resident investor (I) is the full legal owner or usufructory of the Securities, (II) has not allocated the Securities to business activities in Belgium and (III) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (I) and (II).

Non-resident holders using the Securities to exercise a professional activity in Belgium through a (permanent) establishment are subject to the same tax rules as the Belgian resident corporations (see above). Non-resident holders who do not allocate the Securities to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

(b) ***EU Savings Directive***

(i) *Individuals not resident in Belgium*

A Belgian paying agent (within the meaning of the EU Savings Directive) will exchange information at least once a year with the country of tax residence of the beneficial owner regarding interest payments as defined by the EU Savings Directive. It concerns payments made to an individual, beneficial owner of the

interest payments and resident in another EU Member State or resident in one of the non-EU countries and territories (including Switzerland) that have adopted similar measures, subject to a reciprocity undertaking (the "Dependent and Associated Territories"). Residual entities (in the meaning of the EU Savings Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of an affidavit.

(ii) *Individuals resident in Belgium*

An individual resident in Belgium will be subject to the provisions of the EU Savings Directive, if he receives interest payments from a paying agent (within the meaning of the EU Savings Directive) established in another EU Member State or one of the Dependent and Associated Territories, except where a withholding system is operated.

If the interest received by an individual resident in Belgium has been subject to a withholding system, such withholding does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The withholding will be credited against the Belgian personal income tax. If the withholding exceeds the Belgian personal income tax due, the excess amount will be reimbursed, provided it reaches a minimum of 2.5 euro.

**Belgian stock exchange tax regime regarding Securities**

The issuance of the Securities (primary market) is not subject to the tax on stock exchange transactions.

The sale of the Securities (secondary market) executed in Belgium through a financial intermediary will trigger the tax on stock exchange transactions. The tax is due at a rate of 0.25 per cent. (due on each sale and acquisition separately) with a maximum of EUR 740 per party and per transaction. An exemption is available for certain Belgian institutional investors as well as for non-residents (provided that certain formalities are respected), both acting for their own account.

**8. FRANCE**

*The following is a general description of the French withholding tax treatment of the payments made in respect of the Securities to holders thereof. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in France or elsewhere. In particular, it does not describe the French tax treatment applicable to holders of Securities who are tax residents of France, except in relation to French withholding tax, and does not discuss all French taxes, such as French registration duties or the tax on financial transactions.*

*Prospective purchasers of the Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and receiving payments under the Securities and the consequences of such actions under the tax laws of France. The treatment regarding withholding tax will depend on the nature and characterisation of the Securities.*

*This summary is based on French tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as at the date of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.*

Payments made by the Issuer in respect of the Securities may in principle be made without any compulsory withholding or deduction for, or on account of, French taxes to the extent that the Issuer is not incorporated in France or is otherwise acting through a French establishment.

However, if such payments are made to French resident individuals and regarded as interest or assimilated income for French tax purposes, the Paying Agent could be subject to withholding obligations. In that case, social contributions of currently 15.5 per cent. and the 24 per cent. income tax prepayment, applicable in principle to interest and assimilated income received by French resident individuals, would generally need to be withheld and reported by the Paying Agent, if the Paying Agent is established in France (exceptions may however apply depending on level of income of the taxpayer). If the Paying Agent is established outside France, it is in principle not involved in this withholding obligation, unless it is established in an EU or EEA member state and has been expressly appointed by the French taxpayer to do so.

The EU Savings Directive has been implemented in French law under article 242 *ter* of the French *Code Général des Impôts*. These provisions impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State (or certain territories), including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest (within the meaning of the EU Savings Directive) paid to that beneficial owner.

For further information regarding the EU Savings Tax Directive see paragraph 2 (*EU Savings Directive*) above.

## 9. LUXEMBOURG

The following summary is of a general nature and is included herein solely for information purposes. It is a general description of certain Luxembourg tax considerations relating to the purchasing, holding and disposing of Securities.

This description is based on the laws, regulations and applicable tax treaties as in effect in Luxembourg on the date hereof, all of which are subject to change, possibly with retroactive effect. It is not intended to be, nor should it be construed to be, legal or tax advice.

The following summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular prospective holder with regard to a decision to purchase, own or dispose of Securities.

Prospective holders are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country of which they are resident and under the laws of the all relevant jurisdictions, to which they may be subject.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

### **Withholding tax**

#### ***Non-Luxembourg tax resident holders***

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (hereinafter, "**Laws**") mentioned below, there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident holders to the extent said Securities do not (a) give entitlement to a share of the profits generated by the issuing company and (b) the issuing company is not thinly capitalised.

### ***EU Savings Directive on the Taxation of Savings Income***

Under the Laws, implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (hereinafter, "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax at a rate of 35 per cent. unless the relevant recipient has duly instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

### ***Luxembourg tax resident holders***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (hereinafter, "**Law**"), there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg tax resident holders to the extent said Securities do not (a) give entitlement to a share of the profits generated by the issuing company and (b) the issuing company is not thinly capitalised.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is tax resident of Luxembourg will be subject to a withholding tax of 10 per cent. In case the individual beneficial owner is an individual acting in the course of the management of his/her private wealth, said withholding tax will be in full discharge of income tax. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. Payments of interest under Securities coming within the scope of the Law would be subject to withholding tax at a rate of 10 per cent.

### **Registration tax**

Neither the issuance nor the transfer of Securities will give rise to any Luxembourg stamp duty, issuance tax, registration tax, transfer tax or similar taxes or duties. Notwithstanding, documents relating to the Securities, other than the Securities themselves, presented in a notarial deed or in the course of litigation may require registration. In this case, and based on the nature of such documents, registration duties may apply.

## **10. FINLAND**

*The following summary relates only to Finnish withholding tax issues with respect to payments made in respect of the Securities to persons who are generally liable to tax in Finland (i.e., persons that are resident of Finland for tax purposes). The summary does not deal with any other Finnish tax implications of acquiring, holding or disposing of the Securities. Investors are advised to seek professional advice relating to other tax implications in respect of acquiring, holding or disposing of the Securities.*

As the Issuer is not resident in Finland for tax purposes, there is no Finnish withholding tax (*Fi. lähdevero*) applicable to the payments made by the Issuer in respect of the Securities. However, Finland operates a system of preliminary taxation (*Fi. ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. In the context of the Securities, a tax of 30 per cent. will be deducted and withheld from all payments that are treated as interest or as compensation comparable to interest, when such payments are made by a Finnish Paying Agent to individuals. Any preliminary tax (*Fi. ennakonpidätys*) will be used for the payment

of the individual's final taxes (i.e., they will be credited against the individual's final tax liability). If, however, the Securities are regarded as warranties for Finnish tax purposes any payments made in respect of the Securities may be made without deduction or withholding for or on account of Finnish tax.

11. **SWEDEN**

**Swedish withholding of tax**

See paragraph 2 (EU Savings Directive) above.

There is no Swedish withholding tax (*källskatt*) applicable on payments made by the Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments treated as interest in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes, provided the paying entity is tax resident in Sweden and subject to reporting obligations. This applies also to other proceeds from the Securities save for capital gains, if the other proceeds are paid out together with payments treated as interest. Depending on the relevant Holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the Holder's overall tax liability with any balance subsequently to be paid by or to the relevant Holder, as applicable.



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**CERTAIN ERISA CONSIDERATIONS**

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*The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.*

*The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the U.S. Internal Revenue Service.*

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA and subject to Title I of ERISA), including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans and on those persons who are fiduciaries with respect to such plans. Investments by such plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that such plan's investments be made in accordance with the documents governing such plan. The prudence of a particular investment must be determined by the responsible fiduciary of such plan by taking into account such plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Securities.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986 as amended (the "**Code**") prohibit certain transactions involving the assets of employee benefit plans (as defined in Section 3(3) of ERISA and subject to Title I of ERISA) as well as those plans that are not subject to ERISA but which are defined in Section 4975(e)(1) of the Code and subject to Section 4975 of the Code, such as individual retirement accounts (collectively, "**Plans**") and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**"), describes what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the 1940 Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or, as further discussed below, that equity participation in the entity by "benefit plan investors" is not "significant".

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Securities are acquired with the assets of a Plan with respect to which the relevant Issuer, the Dealer, The Royal Bank of Scotland plc ("**RBS plc**") or any of their respective affiliates, is a party in interest or a disqualified person. RBS plc and its affiliates are considered a party in interest or a disqualified person with respect to many Plans. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Security and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts), and PTCE 96-23 (relating to transactions effected by in-house asset managers) (collectively, "**Investor-Based Exemptions**"). There is also a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section

4975(d)(20) of the Code to a party in interest that is a service provider to a Plan investing in the Securities for adequate consideration, provided such service provider is not (i) a fiduciary with respect to the Plan's assets used to acquire the Securities or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan (the "**Service Provider Exemption**"). Adequate consideration means fair market value as determined in good faith by the Plan fiduciary pursuant to regulations to be promulgated by the U.S. Department of Labor. There can be no assurance that any of these Investor-Based Exemptions or the Service Provider Exemption or any other administrative or statutory exemption will be available with respect to any particular transaction involving the Securities.

Governmental, certain church, non-U.S. and other plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state, local, federal or non-U.S. laws that are similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before acquiring any Securities.

The U.S. Supreme Court's decision, in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank* ("**Harris Trust**"), 510 U.S. 86 (1993), held that those funds allocated to the general account of an insurance company pursuant to a contract with an employee benefit plan that varies with the investment experience of the insurance company are "plan assets". The American Council of Life Insurance requested a prohibited transaction class exemption to counteract the effects of *Harris Trust*. In the preamble to the resulting Prohibited Transaction Class Exemption 95-60, 60 Fed. Reg. 35,925 (July 12, 1995) ("**PTCE 95-60**"), the Department of Labor noted that for purposes of calculating the 25 per cent. threshold under the significant participation test of the Plan Assets Regulation, only the proportion of an insurance company general account's equity investment in the entity that represents plan assets should be taken into account. Furthermore, a change in the level of plan investment in a general account subsequent to the general account's acquisition of an interest in the entity would not, by itself, trigger a new determination of whether plan participation is significant. However, it is the Department of Labor's view that an acquisition by the general account of an additional interest in the entity subsequent to its initial investment or an acquisition in the entity by any investor subsequent to the general account's initial investment would require a new determination of significant plan participation. Although the Department of Labor has not specified how to determine the proportion of an insurance company general account that represents plan assets for purposes of the 25 per cent. threshold, they have, in the case of PTCE 95-60, provided a method for determining the percentage of an insurance company's general account held by the benefit plans of an employer and its affiliates by comparing the reserves and liabilities for the general account contracts held by such plans to the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus. However, there is no assurance that a similar measurement would be used for purposes of the 25 per cent. threshold.

Any insurance company proposing to invest assets of its general account in Securities should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code in light of the U.S. Supreme Court's decision in *Harris Trust* and the enactment of Section 401(c) of ERISA. In particular, such an insurance company should consider (a) the exemptive relief granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 95-60 and (b) if such exemptive relief is not available, whether its acquisition of Securities will be permissible under the final regulations issued under Section 401(c) of ERISA. The final regulations provide guidance on which assets held by an insurance company constitute "plan assets" for purposes of the fiduciary responsibility provisions of ERISA and Section 4975 of the Code. The regulations do not exempt the assets of insurance company general accounts from treatment as "plan assets" to the extent they support certain participating annuities issued to Plans after 31 December 1998.

The Plan Asset Regulations define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. As mentioned above, if a Plan invests in an "equity interest" of an entity, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless the entity is an "operating company". An operating company is an entity engaged, directly or indirectly, in business activities involving the manufacture or sale of a product or service. If a Security is deemed to be an equity interest in RBS plc, an investment by a Plan in such equity interest should

not result in such Plan having an undivided interest in the entity's assets because RBS plc should qualify as an operating company. In addition, a Security issued by RBS plc may constitute a debt interest or a notional principal contract, depending on the relevant form and terms of such Security. Therefore, a Security issued by RBS plc may be acquired by a Plan. Nevertheless, without regard to whether such Security is considered a debt or equity interest or a notional principal contract, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if such Security is acquired with the assets of a Plan with respect to which the relevant Issuer, or in certain circumstances, any of its respective affiliates, is a party in interest or a disqualified person. The Investor-Based Exemptions or the Service Provider Exemption may be available to cover such prohibited transactions.

By its acquisition, holding and subsequent disposition of any Security issued by RBS plc, each acquirer and subsequent transferee thereof will be deemed to have represented and warranted, at the time of its acquisition and throughout the period it holds such Security, either that (i) it is neither a Plan nor any entity whose underlying assets include "plan assets" by reason of such Plan's investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (ii) its acquisition, holding and subsequent disposition of such Security will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any similar law). In addition, a Plan fiduciary relying on the Service Provider Exemption will be deemed to have represented and warranted at the time of the Plan's acquisition and throughout the period the Plan holds the Security that (A) the Plan fiduciary has made a good faith determination that the Plan is paying no more than, and is receiving no less than, adequate consideration in connection with the transaction and (B) none of RBS plc or any of its affiliates exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan which the fiduciary is using to acquire the Security, both of which are necessary preconditions to utilizing this exemption. Any acquirer that is a Plan is encouraged to consult with counsel regarding the application of the above representations and warranties. Any purported transfer of a Security issued by RBS plc, or any interest therein to an acquirer or transferee that does not comply with the requirements specified in the applicable documents will be of no force and effect and shall be null and void ab initio.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE ERISA AND OTHER IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES AND DOES NOT PURPORT TO BE COMPLETE. MOREOVER, THE MATTERS DISCUSSED ABOVE MAY BE AFFECTED BY FUTURE REGULATIONS, RULINGS AND COURT DECISIONS, SOME OF WHICH MAY HAVE RETROACTIVE APPLICATION AND EFFECT. POTENTIAL ACQUIRERS SHOULD CONSULT WITH THEIR OWN LEGAL AND OTHER ADVISORS PRIOR TO INVESTING TO DETERMINE THE ERISA IMPLICATIONS OF SUCH INVESTMENTS IN LIGHT OF SUCH POTENTIAL ACQUIRER'S CIRCUMSTANCES.

THE SALE OF SECURITIES TO A PLAN IS IN NO RESPECT A REPRESENTATION BY RBS PLC OR THE DEALER THAT THIS INVESTMENT MEETS ALL RELEVANT REQUIREMENTS WITH RESPECT TO INVESTMENTS BY PLANS GENERALLY OR ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR PLANS GENERALLY OR ANY PARTICULAR PLAN.

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## SELLING RESTRICTIONS

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In respect of each Series of Securities issued under the Programme, a Dealer and/or distributor may, by entering into a purchase agreement, agree with the Issuer the basis upon which it agrees to purchase Securities. Any such agreement will extend to those matters stated under "Form of the Securities" and the Terms and Conditions.

*The statements which follow are of a general nature. Potential purchasers in each jurisdiction must ensure that they are able validly to take delivery of the Securities. Additional certifications may be required by the Issuer and/or any clearance system at the time of exercise and/or settlement.*

### 1. GENERAL

No action has been or will be taken by the Issuer or any Dealer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

### 2. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State and by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### 3. THE NETHERLANDS

Securities which qualify as savings certificates as defined in the Savings Certificates Act ("*Wet inzake spaarbewijzen*") may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. by NYSE Euronext with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of:

- (a) the initial issue of those Securities to the first holders thereof;
- (b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and
- (c) the issue and trading of those Securities, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

Securities that are not to be admitted on a regulated market may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (a) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (b) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Securities shall require publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

### 4. UNITED STATES OF AMERICA

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Securities in bearer form may be subject to U.S. tax requirements. Trading in the Securities has not been approved by the CFTC under the CEA, and no U.S. person may at any time trade or maintain a position in the Securities. No Securities of any Series, or interests therein, may at any time be offered, sold, transferred, exercised or delivered in the United States or to, or for the account or benefit of, any U.S. person. In the absence of relief from the CFTC, offers, sales, resales, trades or deliveries of Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of U.S. laws governing commodities trading.

Securities having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (the "**C Rules**"). Securities having a maturity of one year or less are not subject to the C Rules. The Issuer will require each Dealer participating in the distribution of Securities to agree that it will not at any time offer, sell, resell or deliver, directly or indirectly, the Securities in the United States or to others for offer, sale, resale or delivery, directly or indirectly, in the United States. Further, the Issuer and each Dealer to which it sells the Securities will represent and agree that in connection with such Securities it

has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States and will not otherwise involve its U.S. office in the offer or sale of such Securities. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the "**Code**") and the U.S. Treasury regulations thereunder, including the C Rules.

As used herein, "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and "**U.S. person**" means (a) an individual who is a citizen or resident of the United States; (b) a corporation, a partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (c) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (d) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (e) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (b) above; (f) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (a) to (e) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (g) any other "**U.S. person**" as such term is defined in Regulation S under the Securities Act or as it may be defined in regulations adopted under the CEA.

**Notice to purchasers and holders of restricted securities and transfer restrictions**

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge, represent and agree that:

- (a) the Securities have not been and will not be registered under the Securities Act and that trading in the Securities has not been and will not be approved by the CFTC under the CEA;
- (b) it will not at any time offer, sell, transfer, exercise or deliver, directly or indirectly, any Securities of such Series so purchased in the United States or to, or for the account or benefit of, any U.S. person;
- (c) it is not a U.S. person and is not purchasing any Securities of such Series for the account or benefit of any U.S. person;
- (d) it will send each person who purchases any Securities of such issue from it a written confirmation (which shall include the definitions of "**United States**" and "**U.S. person**" set forth herein) stating that the Securities have not been registered under the Securities Act, that trading in the Securities has not been approved by the CFTC under the CEA and that such purchaser, by its purchase of such Securities, is deemed to agree that it will not at any time offer or sell any of such Securities in the United States or to, or for the account or benefit of, any U.S. person;
- (e) no U.S. person or person in the United States may at any time trade or maintain a position in the instruments and that a person entitled to receive an interim payment or exercising (or entitled to receive any amount at maturity or exercise under) the instrument will be required to certify that neither it nor the beneficial owner of the instrument is a U.S. person or is located in the United States;
- (f) any person exercising a Security will be required to represent that it is not a U.S. person; and
- (g) it acknowledges that the Global Securities and any Definitive Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT AT ANY TIME BE OFFERED, SOLD, TRANSFERRED, EXERCISED OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.**

#### **ERISA Restrictions and ERISA Legend**

- (a) Each purchaser of any Securities hereunder shall make, or be deemed to make, the following acknowledgements, representations, warranties and agreements in relation to the applicable Securities as set forth below:

It shall not acquire, hold or subsequently dispose of such Security for, on behalf of, or with the assets of any "employee benefit plan" subject to the fiduciary responsibility provisions of the Employee Retirement Security Act of 1974, as amended ("**ERISA**") or any "plan" subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), or an entity part or all of the assets of which constitute assets of any such employee benefit plan or plan by reason of Department of Labor Regulation Section 2510.3-101, Section 3(42) of ERISA or otherwise (each a "**Plan**") or any governmental, church, non-U.S. or other plan subject to any federal, state, local or non-U.S. law similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code, unless such acquisition, holding and subsequent disposition of the Security will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or under Section 4975 of the Code (or in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any similar federal, state, local or non-U.S. law). Any fiduciary of a Plan acquiring a Security in reliance upon the statutory "service provider exemption" under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code represents and warrants at the time of the Plan's acquisition and throughout the period the Plan holds the Security that (i) the Plan fiduciary has made a good faith determination that the Plan is paying no more than, and is receiving no less than, adequate consideration in connection with the transaction and (ii) none of the Issuer or any of its affiliates exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan which the fiduciary is using to acquire the Security.

- (b) Each Security issued shall bear the following legend:

THE ACQUISITION, HOLDING AND SUBSEQUENT DISPOSITION OF THIS SECURITY BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR ANY "PLAN" SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR AN ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, SECTION 3(42) OF ERISA OR OTHERWISE (EACH A "**PLAN**") OR ANY GOVERNMENTAL, CHURCH, NON-U.S., OR OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS SUCH ACQUISITION, HOLDING AND SUBSEQUENT DISPOSITION OF THE SECURITY WOULD NOT CONSTITUTE

OR RESULT IN ANY NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW). ANY FIDUCIARY OF A PLAN ACQUIRING A SECURITY IN RELIANCE UPON THE STATUTORY "SERVICE PROVIDER EXEMPTION" UNDER SECTION 408(b)(17) OF ERISA AND SECTION 4975(d)(20) OF THE CODE WILL REPRESENT AND WARRANT OR WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED, AS APPLICABLE, AT THE TIME OF THE PLAN'S ACQUISITION AND THROUGHOUT THE PERIOD THE PLAN HOLDS THE SECURITY THAT (I) THE PLAN FIDUCIARY HAS MADE A GOOD FAITH DETERMINATION THAT THE PLAN IS PAYING NO MORE THAN, AND IS RECEIVING NO LESS THAN, ADEQUATE CONSIDERATION IN CONNECTION WITH THE TRANSACTION AND (II) NONE OF THE ROYAL BANK OF SCOTLAND PLC OR ANY OF ITS AFFILIATES EXERCISES DISCRETIONARY AUTHORITY OR CONTROL OR RENDERS INVESTMENT ADVICE WITH RESPECT TO THE ASSETS OF THE PLAN WHICH THE FIDUCIARY IS USING TO ACQUIRE THE SECURITY. ANY PURPORTED TRANSFER OF THE SECURITY, OR ANY INTEREST THEREIN, TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS OF THIS PARAGRAPH WILL BE OF NO FORCE AND EFFECT AND SHALL BE NULL AND VOID AB INITIO. EACH BENEFICIAL OWNER OF THIS SECURITY IN PHYSICAL FORM WILL BE REQUIRED TO EXECUTE AN INVESTOR LETTER OF REPRESENTATIONS OR WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS SET FORTH IN SUCH LETTER.

**5. UNITED KINGDOM**

Each Dealer represents, warrants and agrees that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Each Dealer further represents, warrants and agrees, that:

- (a) if it is distributing Securities that are "retail investment products" (as such term is defined in the handbook of the Financial Conduct Authority) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; and
- (b) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where the Issuer has agreed to facilitate the payment of an advisory fee and has the express consent of the retail investor to do so.

**6. INDIA**

Any purchase of the Securities relating to or linked to securities listed on a stock exchange in India or indices that reference such securities should be made on the understanding that the



purchaser shall be deemed to acknowledge, represent, warrant and undertake to the RBS Group that:

- (a) it consents to the provision by the RBS Group to any Indian governmental or regulatory authority of any information regarding it and its dealings in the Securities as required under applicable Indian regulations and/or as requested by any Indian governmental or regulatory authority;
- (b) it agrees to promptly provide to the RBS Group, or directly to the relevant Indian governmental or regulatory authority (and confirm to the RBS Group when it has done so), such additional information that the RBS Group deems necessary or appropriate in order for the RBS Group to comply with any such regulations and/or requests;
- (c) the Securities are not being purchased by, for the account of, or pursuant to or in connection with any back-to-back transaction with: (i) a Person Resident in India as the term is used in the Foreign Exchange Management Act, 1999; or (ii) a "Non-Resident Indian", as such terms are used in the Foreign Exchange Management (Deposit) Regulations 2000 as notified by the Reserve Bank of India (each, a "**Restricted Entity**") or a nominee of a Restricted Entity;
- (d) the Securities shall not be offered, sold or transferred to any person/entity whose controller is a Restricted Entity where "controller" means any person or group of persons who (i) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of the purchaser; (ii) holds or is otherwise entitled to a majority or more of the economic interest in the purchaser, or (iii) in fact exercises control over the purchaser. "Control" means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner;
- (e) notwithstanding the foregoing definition, in the case only where an entity's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity's controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity's financial, investment and/or operating policies;
- (f) the Securities are not being purchased by, for the account of, or pursuant to or in connection with any back-to-back transaction with any entity or person that is not a "person regulated by an appropriate foreign regulatory authority" (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) (a "**Regulated Entity**");
- (g) the Securities are not being purchased with the intent of circumventing or otherwise avoiding any requirements applicable under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (including, without limitation, any restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in the Securities with, Restricted Entities and persons/entities who are not Regulated Entities);
- (h) it has purchased the Securities on its own account and not as an agent, nominee, trustee or representative of any other person and no agreement for the issuance of a back-to-back offshore derivatives instrument shall be entered against the Securities;
- (i) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Securities to or for the account of any Restricted Entity, nominee of any Restricted Entity or an entity which is not a Regulated Entity;
- (j) it acknowledges that non-compliance with, or breach, violation or contravention of, the obligations under these representations, warranties, agreements and undertakings that (including, without limitation, any restrictions with respect to a transfer)

("Obligations") may result in non-compliance with, or breach, violation or contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the Issuer and/or its associates/affiliates and cause irreparable harm to the Issuer and/or its associates/affiliates. Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or contravention of the Obligations by it, the Issuer and/or its associates/affiliates may notify the relevant Indian governmental or regulatory authority of the breach, violation or contravention and exercise any rights and take any measures available to the Issuer and/or its associates/affiliates under the terms of the Securities, or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the Securities by the Issuer and/or its associates/affiliates;

- (k) it will promptly notify the Issuer should any of the representations, warranties, agreements and undertakings given by it change or no longer hold true; and
- (l) any sale, transfer, assignment, novation or other disposal of the Securities by it, whether direct or indirect, will be subject to the acquiring entity giving substantially the same representations and warranties to it as set out in sub-paragraphs (c) to (i) (inclusive).

The Securities shall not be offered, sold or transferred to (a) a Protected Cell Company ("PCC") or Segregated Portfolio Company ("SPC") or an equivalent structure however described, or (b) a Multi Class Share Vehicle ("MCV") by constitution or an equivalent structure however described that contains more than one class of shares, except where (i) a common portfolio is maintained for all classes of shares and satisfies broad-based criteria, or (ii) a segregated portfolio is maintained for separate classes of shares wherein each such class of shares are in turn broad-based. For this purpose, a "broad-based" fund or class of shares (where the holder's segregated portfolio is maintained for separate classes of shares) as the term is defined in the Explanation to Regulation 6 of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 means a fund, established or incorporated outside India, which has at least twenty investors, with no single individual investor holding more than 49 per cent. of the shares or units of the fund; provided that if the broad-based fund has institutional investor(s) it shall not be necessary for the fund to have twenty investors. Further, if the broad-based fund has an institutional investor who holds more than 49 per cent. of the shares or units in the fund, then the institutional investor must itself be a broad-based fund.

## 7. SWITZERLAND

Securities issued under this Programme which are not listed on SIX Swiss Exchange Ltd. do not qualify for public distribution in or from Switzerland according to Article 5 of the Swiss Federal Act on Collective Investment Schemes. Accordingly, such Securities may not be publicly distributed in or from Switzerland and neither this Programme, any Final Terms nor any marketing material relating to the Securities may be distributed in connection with such distribution, unless a special simplified prospectus is prepared setting forth any and all information which may be required to be disclosed in a simplified prospectus pursuant to Art. 5 of the Swiss Federal Act on Collective Investment Schemes and any implementing ordinance or other applicable act or regulation or self-regulation in the Final Terms or a separate document (the "**Simplified Prospectus**"). Any term sheet prepared shall be subject to the Final Terms and the Simplified Prospectus, if any, for the relevant Securities. If no Simplified Prospectus is prepared, the Securities may only be offered and the Programme, any Final Terms or any marketing material may only be distributed in or from Switzerland to qualified investors according to the applicable provisions of the Collective Investment Scheme Act ("CISA") in such a way that there is no public marketing or offering in or from Switzerland as defined pursuant to the most restrictive interpretation of the applicable Swiss laws and regulations.

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## GENERAL INFORMATION

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### Authorisation

The establishment of the Base Prospectus and the issue of Securities has been duly authorised by resolutions of (a) the Issuer's board of directors dated 18 November 2009, (b) the RBS Group Asset and Liability Management Committee dated 8 February 2010 and (c) a sub-committee of the RBS Group Asset and Liability Management Committee dated 24 May 2013.

### Responsibility Statement

The Issuer (whose registered office is at 36 St Andrew Square, Edinburgh, EH2 2YB, Scotland) accepts responsibility for the information contained in this Base Prospectus, as completed by the relevant Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### Consent to use this Base Prospectus

If so specified in the Final Terms in respect of any particular issuance of Securities, the Issuer consents to the use of this Base Prospectus in connection with the making of an offer of the Securities to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**") (a) by the financial intermediary/ies (each, an "**Authorised Offeror**"), (b) during the offer period and (c) subject to the relevant conditions, in each case as specified in the relevant Final Terms.

The consent shall be valid in relation to The Netherlands and each other Member State the competent authority of which has been provided with a Certificate of Approval by the Competent Authority in relation to this Base Prospectus under Article 18 of the Prospectus Directive, provided that it shall be a condition of such consent that the Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offerings of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of the relevant Final Terms, (b) discontinue or change the offer period, and/or (c) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published by way of notice which will be available at <http://markets.rbs.com>. The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus in relation to any person (an "**Investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (a) by an Authorised Offeror (or the Issuer or any Dealer), (b) in a Member State for which the Issuer has given its consent, (c) during the offer period for which the consent is given and (d) in compliance with the other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Other than in accordance with the terms set forth in the paragraph above, the Issuer has not authorised (and nor has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this Base Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the Issuer (or any Dealer) and neither the Issuer nor any Dealer has any responsibility or liability to any Investor purchasing Securities pursuant to such offer or for the actions of any person making such offer.

***Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such***

*Authorised Offeror and the Investor, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to the Investor by that Authorised Offeror and neither the Issuer nor any Dealer has any responsibility or liability for such information (other than where such information is contained in the Base Prospectus, as completed by the relevant Final Terms).*

### **Listing and Admission to Trading**

Application will be made to NYSE Euronext or any other stock exchange or market for Securities issued up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading and to be listed on Euronext Amsterdam N.V. by NYSE Euronext or any other stock exchange or market. Certain Securities issued under this Base Prospectus may not be listed. For so long as the Securities are listed on Euronext Amsterdam N.V. by NYSE Euronext and NYSE Euronext requires so, there will be a paying agent in The Netherlands. Citibank International Plc, Netherlands Branch, Global Transaction Services, Hoge Mosten 2, 4822 NH Breda, The Netherlands has been appointed as the initial paying agent in The Netherlands.

An issue of Securities of the same class as Securities already trading on a stock exchange or market for Securities, will only be admitted to trading on the same such stock exchange or market for Securities.

### **Recent Developments**

#### *Assets, Owners' Equity and Capital Ratios*

The Royal Bank of Scotland Group plc together with its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**RBS Group**") had total assets of £1,312 billion and owners' equity of £68 billion as at 31 December 2012. The RBS Group's capital ratios as at 31 December 2012 were a total capital ratio of 14.5 per cent., a Core Tier 1 capital ratio of 10.3 per cent. and a Tier 1 capital ratio of 12.4 per cent.

The Issuer and its subsidiaries consolidated in accordance with International Reporting Standards (the "**Group**") had total assets of £1,284 billion and owners' equity of £59 billion as at 31 December 2012. The Group's capital ratios as at 31 December 2012 were a total capital ratio of 15.4 per cent., a Core Tier 1 capital ratio of 9.5 per cent. and a Tier 1 capital ratio of 11.0 per cent.

#### *Direct Line Group – Further Share Sale*

On 13 March 2013, the RBS Group announced a further sale of Direct Line Group ("**DLG**") ordinary shares held by the RBS Group, reducing the RBS Group's ownership of DLG below the 50 per cent. level. As a result, DLG has ceased to be a principal subsidiary undertaking of RBSG.

#### *Changes to the UK regulatory framework*

On 1 April 2013, the Financial Services Authority ("**FSA**") was replaced by the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**"). With effect from this date, the Issuer (which was previously supervised by the FSA) is authorised by the PRA and regulated by the FCA and the PRA.

#### *Large Exposure Regime*

RBS plc is subject to the PRA's large exposure regime and specific application to intra-group exposures. Following the grant of a direction by the PRA, RBS plc is no longer in breach of current rules relevant to intra-group exposures and no longer operating within the scope of a PRA-agreed remediation plan.

### No Significant Change and No Material Adverse Change

There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2012 (the end of the last financial period for which audited financial information of the Group has been published).

There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2012 (the date of the last published audited financial information of the Group).

### Documents available

During the validity of this Base Prospectus, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer:

- (a) the incorporation documents of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2011 and 31 December 2012, together with the audit reports thereon;
- (c) all future consolidated financial statements of the Issuer;
- (d) a copy of the Registration Document;
- (e) a copy of this Base Prospectus; and
- (f) all documents incorporated herein by reference.

### Clearing and settlement systems

The Securities have been accepted for clearance through Clearstream Banking AG ("**Clearstream AG**"), Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**"), Euroclear Bank, S.A./N.V. ("**Euroclear Luxembourg**"), Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), Euroclear Finland Oy ("**Euroclear Finland**"), Euroclear Sweden AB ("**Euroclear Sweden**") and SIX SIS Ltd. The appropriate WKN, Common Code, International Securities Identification Number and Valoren for each Series allocated by Clearstream AG, Euroclear Netherlands, Euroclear, Luxembourg, Clearstream, Luxembourg, Euroclear Finland, Euroclear Sweden and SIX SIS Ltd, and any other relevant security code allocated by any other relevant clearing system, will be specified in the relevant Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

### Information on the Offering of the Securities

#### (a) Offer Process

For a short period prior to the Trade Date specified in the relevant Final Terms, the Securities of the relevant Series may be offered by the Issuer for subscription to prospective investors but the Issuer reserves the right to close subscription early. The Issuer anticipates that it will deliver the Final Terms in respect of each Series of the Securities which are to be admitted to trading and listed on Euronext Amsterdam N.V. by NYSE Euronext prior to the commencement of the Offer Period specified in the Final Terms or prior to the Trade Date specified in the Final Terms if there is no Offer Period. On or about the Trade Date, the Issuer will, pursuant to its agreement with NYSE Euronext, offer to buy or sell the Securities of any Series to be admitted to trading and listed on Euronext Amsterdam N.V. by NYSE Euronext. The Issuer expects that each such Series of the Securities will be admitted to trading on Euronext Amsterdam N.V. by NYSE Euronext with effect from the Trade Date stated in the relevant Final Terms. Except in the case of dematerialised Securities, the Securities will be issued in global form and all trades will be settled in the applicable clearing systems on their usual basis for secondary market transactions. Other than the issue price of the Securities of the relevant Series, each prospective investor shall not be required to pay any expenses to the Issuer in order to subscribe for the relevant Securities.

Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as the Issuer may decide. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

**(b) Description of the Application and Payment Process for a Prospective Purchaser**

Applications for Securities may be made by a prospective purchaser through any Dealer, broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a "**Selling Agent**") which has a relationship with the Issuer governing the sale of the Securities. Pursuant to anti-money laundering regulations, prospective purchasers who are not an existing client of a Selling Agent may be required by their Selling Agent of choice to complete an anti-money laundering form and to provide further evidence of identification in advance of applying for any Securities.

Each prospective purchaser should ascertain from its Selling Agent of choice when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for Securities and the manner in which payment should be made to the Selling Agent. Each Selling Agent may impose different arrangements relating to the purchase of Securities and prospective investors should contact the Selling Agents directly for information concerning such arrangements. Applicants for Securities who arrange to purchase the Securities through a Selling Agent should note that in doing so they are assuming the credit risk of the relevant Selling Agent and that such arrangements will be subject to the applicable conditions of the relevant Selling Agent.

**(c) Conditions to Which the Offer is Subject**

The offer, in respect of a particular Series of Securities is subject to the Terms and Conditions as set out in this Base Prospectus, the relevant Final Terms and any document incorporated by reference (see "Documents Incorporated by Reference").

**(d) Minimum/Maximum Application Amount**

Investors are required to subscribe for a minimum of one (1) Security and thereafter in multiples of one (1) Security unless otherwise specified in the relevant Final Terms in respect of the relevant Series of the Securities. There is no maximum subscription amount unless otherwise stated in the relevant Final Terms in respect of the relevant Series of the Securities.

**(e) Scale-back and Cancellation**

The Issuer and/or any Dealer reserves the right, prior to the Issue Date, in its absolute discretion to:

- (i) decline in whole or in part an application for Securities such that a prospective purchaser for Securities may, in certain circumstances, not be issued the number of (or any) Securities for which it has applied ("**Scale-back**"); or
- (ii) withdraw, cancel or modify the offer of the Securities ("**Cancellation**").

The Issuer may Scale-back or effect a Cancellation of the Securities without notice and will notify prospective investors, either directly or indirectly through a relevant Selling Agent, of such Scale-back or Cancellation after such Scale-back or Cancellation has occurred. In the event that the Securities are not issued, no subscription monies shall be payable by prospective purchasers to the Issuer (either directly or indirectly through a Selling Agent (as defined above)) in respect of the Securities. Prospective purchasers should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. The Issuer shall have no responsibility for, or liability arising out of, the relationship between prospective purchasers and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

**(f) Details of the Manner in Which the Results of the Initial Offer are to be Made Public**

The offer price and the total amount of the offer shall be as specified in the relevant Final Terms in respect of the relevant Series of the Securities. If such price or amount is not fixed then the Issuer will

make a notification pursuant to Article 8 of the Prospectus Directive. Except in the case of (i) for a Scale-back or a Cancellation, in which case the Issuer will notify prospective investors of such Scale-back or Cancellation as described in sub-paragraph (e) above, or (ii) as otherwise specified in the relevant Final Terms in respect of the relevant Series of the Securities, the Issuer will issue all of the Securities that are the subject of the offer on the Issue Date. A prospective investor submitting an application to purchase Securities will be notified by the Issuer, either directly or indirectly through a relevant Selling Agent, of the acceptance or otherwise of such application on or prior to the Issue Date. Dealing may begin before such notification is made.

**(g) Categories of Investors to which Securities are Offered**

The Securities will be offered to both retail and qualified investors.

**(h) Expenses and Taxes**

Any expenses are described in the General Terms, applicable Additional Terms and relevant Final Terms for the relevant Series and will be deducted accordingly. For further information on taxes, please refer to the section entitled "Taxation".

**Post-issuance information**

The Issuer does not intend to provide any post-issuance information.

**Issued Financial Instruments on the Issuer's securities**

At the date of this Base Prospectus, there are no convertible bonds or options on the Issuer's securities (including employee options) outstanding which have been issued by the Issuer or by group companies of the Issuer.

**Equity Securities**

All of the Issuer's ordinary shares are held by The Royal Bank of Scotland Group plc and are not listed or traded.

**Third Party Information**

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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