LAUNCHPAD PROGRAMME

BASE PROSPECTUS RELATING TO NOTES

DATED: 21 JUNE 2013

The Royal Bank of Scotland plc

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

BASE PROSPECTUS RELATING TO

NOTES

THE ROYAL BANK OF SCOTLAND PLC

LAUNCHPAD PROGRAMME

THIS BASE PROSPECTUS

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

IT RELATES TO SECURITIES TO BE ISSUED FROM TIME TO TIME BY THE ROYAL BANK OF SCOTLAND PLC UNDER ITS LAUNCHPAD PROGRAMME (THE "**PROGRAMME**").

IT SHOULD BE READ TOGETHER WITH (A) ANY SUPPLEMENTS TO IT PREPARED FROM TIME TO TIME, (B) ANY DOCUMENTS INCORPORATED BY REFERENCE (SEE "*DOCUMENTS INCORPORATED BY REFERENCE*" BELOW) AND (C) IN RELATION TO ANY PARTICULAR SECURITIES, THE "FINAL TERMS" DOCUMENT RELATING TO THOSE SECURITIES.

THE ISSUER

THE SECURITIES WILL BE ISSUED BY THE ROYAL BANK OF SCOTLAND PLC (THE "**ISSUER**") AND WILL BE UNSECURED. HOLDERS OF THE SECURITIES WILL BEAR THE RISK THAT THE ISSUER WILL NOT BE ABLE TO MEET ITS PAYMENT OBLIGATIONS UNDER THE SECURITIES WHEN THEY ARE DUE. THIS BASE PROSPECTUS CONTAINS INFORMATION DESCRIBING THE ISSUER'S BUSINESS ACTIVITIES AND FINANCIAL POSITION.

THE SECURITIES

THIS BASE PROSPECTUS RELATES TO SECURITIES (THE "**SECURITIES**") WHICH WILL BE IN THE FORM OF NOTES, AND WHICH:

- MAY BEAR PERIODIC FIXED RATE OR FLOATING RATE INTEREST OR INTEREST THAT IS DEPENDENT ON THE PERFORMANCE OF ONE OR MORE "REFERENCE ASSETS", OR BE ZERO COUPON SECURITIES (WHICH DO NOT BEAR INTEREST) OR WHICH OTHERWISE DO NOT BEAR INTEREST;
- UPON MATURITY, WILL EITHER PAY PAR, OR A SPECIFIED PERCENTAGE OF PAR, OR PAY A FINAL REDEMPTION AMOUNT THAT IS DEPENDENT ON THE PERFORMANCE OF ONE OR MORE "REFERENCE ASSETS"; AND
- MAY PROVIDE FOR SPECIFIED EARLY REDEMPTION UPON THE OCCURRENCE OF AN "AUTOCALL REDEMPTION TRIGGER EVENT".

THE TERMS AND CONDITIONS OF ANY PARTICULAR ISSUE OF SECURITIES WILL COMPRISE (I) THE "GENERAL TERMS", (II) THE APPLICABLE "ADDITIONAL TERMS" (IF ANY), (III) THE APPLICABLE "ASSET

TERMS" (IF ANY), (IV) THE APPLICABLE "PAYOUT TERMS" (INCLUDING THE APPLICABLE "REFERENCE ASSET PERFORMANCE TERMS" (IF ANY)) AND (V) THE RELEVANT FINAL TERMS.

IN ADDITION TO THE "*SUMMARY*" AND THE "*TERMS AND CONDITIONS*" OF THE SECURITIES, SEE "*DESCRIPTION OF THE RETURN ON THE SECURITIES*" BELOW.

THE FINAL TERMS

A "FINAL TERMS" DOCUMENT (THE "**FINAL TERMS**") WILL BE PREPARED FOR EACH ISSUE OF SECURITIES. THE FINAL TERMS SHALL:

- SPECIFY WHICH (IF ANY) OF THE (I) "ADDITIONAL TERMS", (II) "ASSET TERMS" AND (III) "PAYOUT TERMS" (INCLUDING THE APPLICABLE "REFERENCE ASSET PERFORMANCE TERMS") SHALL APPLY TO THE SECURITIES; AND

- COMPLETE THE TERMS AND CONDITIONS OF THE SECURITIES WITH THE OTHER ISSUE SPECIFIC DETAILS, SUCH AS, FOR EXAMPLE, THE "REFERENCE ASSET(S)" (IF ANY) TO WHICH THE SECURITIES ARE LINKED, THE RELEVANT DATES AND AMOUNTS AND OTHER IMPORTANT DETAILS.

TYPES OF REFERENCE ASSETS

THE ECONOMIC OR "PAYOUT" TERMS OF SECURITIES ISSUED UNDER THIS BASE PROSPECTUS MAY DEPEND ON THE PERFORMANCE OF ONE OR MORE OF THE FOLLOWING TYPES OF ASSETS ("**REFERENCE ASSETS**") OR A COMBINATION:

- COMMODITIES (INCLUDING COMMODITY FUTURES CONTRACTS)
- CURRENCY EXCHANGE RATES
- EQUITIES
- INDICES (INCLUDING COMMODITY INDICES)
- INDEX FUTURES CONTRACTS
- FUNDS
- GOVERNMENT BOND FUTURES CONTRACTS
- INFLATION INDICES
- CERTIFICATES
- REFERENCE RATES

RISK WARNING

INVESTORS MAY LOSE THEIR INVESTMENT OR PART OF IT IF THE AMOUNT PAYABLE AT MATURITY IS LESS THAN THE ORIGINAL INVESTMENT OR IF THE ISSUER FAILS AND IS UNABLE TO MAKE THE PAYMENTS OWING UNDER THE SECURITIES. PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD ENSURE THAT THEY FULLY UNDERSTAND 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 INCORPORATED BY REFERENCE AND IN ANY SUPPLEMENTS TO THOSE DOCUMENTS FOR A MORE COMPLETE EXPLANATION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES.

Dealer
The Royal Bank of Scotland plc

Credit Ratings

*Series of Securities to be issued under 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.

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 NYSE Euronext Amsterdam 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 NYSE 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 dematerialised 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. 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

*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.*

SECTION A – INTRODUCTION AND WARNINGS		
A.1	**Introduction and Warnings:**	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. 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. 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.
A.2	**Consent(s):**	[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, the 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.]
SECTION B – ISSUER		
B.1	**Legal and**	The Royal Bank of Scotland plc (the "**Issuer**" or "**RBS plc**").

	commercial name of the Issuer:	
B.2	**Domicile and legal form of the Issuer, legislation under which it operates and country of incorporation of Issuer:**	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.4b	**Known trends with respect to the Issuer:**	**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):** 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. 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 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. 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. 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.
B.5	**The Issuer's group:**	The Issuer (together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the "**Group**") is a wholly owned subsidiary of The Royal Bank of Scotland Group plc ("**RBSG**"). 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 "**RBS Group**"). 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 ("**NatWest**"). Both the Issuer and NatWest are major United Kingdom clearing banks. 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. The principal subsidiary undertakings of RBS plc are: • National Westminster Bank Plc • RBS Citizens Financial Group, Inc. • Coutts & Company • RBS Securities Inc. • Ulster Bank Limited
B.9	**Profit forecast or estimate:**	Not applicable; no profit forecasts or estimates have been made by the Issuer.
B.10	**Qualifications in the audit report on the historical financial information:**	Not applicable; there are no qualifications in the audit report of the Issuer on its historical financial information.
B.12	**Selected historical key financial information of the Issuer:**	*Year ended 31 December* *2012 £m (audited)* / *2011 £m (audited)* Operating loss before tax: (3,412) / (864) Tax charge: (364) / (731)

		Loss for the year	(3,776)	(1,595)
			Year ended 31 December	
			2012 £m (audited)	2011 £m (audited)
		Called-up share capital	6,609	6,609
		Reserves	52,679	55,117
		Owners' equity	59,288	61,726
		Non-controlling interests	137	128
		Subordinated liabilities	33,851	32,324
		Capital resources	93,276	94,178
			Year ended 31 December	
			2012 £m (audited)	2011 £m (audited)
		Deposits	621,457	581,485
		Loans and advances to customers and banks	576,904	586,539
		Total assets	1,284,274	1,432,781
	No material adverse change in prospects:	There has been no material adverse change in the prospects of the Group taken as a whole since 31 December 2012.		
	Significant change in financial or trading position:	There has been no significant change in the trading or financial position of the Group taken as a whole since 31 December 2012.		
B.13	**Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:**	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.14	**Issuer's position in its corporate group and dependency on other entities within the corporate group:**	See Element B.5 above.		
B.15	**Issuer's principal activities:**	The Group's principal activities are organised in the following segments: • **Retail and Commercial**: ◦ *UK Retail*: a comprehensive range of banking products and related financial services to the personal market in the United Kingdom ◦ *UK Corporate*: banking, finance and risk management services to the corporate and small and medium-size enterprise (SME) sector in the United Kingdom ◦ *Wealth*: private banking and investment services ◦ *International Banking*: financing, transaction services and risk management ◦ *Ulster Bank*: a comprehensive range of financial services through both its retail and corporate banking divisions		

		° *US Retail and Commercial*: financial services primarily through the Citizens and Charter One brands • **Markets**: an origination, sales and trading business across debt finance, fixed income, currencies and investor products • **Central Functions**: comprises Group and corporate functions, such as treasury, finance, risk management, legal, communications and human resources • **Non-Core**: manages separately assets that the Group intends to run off or dispose of • **Business Services**: 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
B.16	**Ownership and control of the Issuer:**	See Element B.5 above.
B.17	**Description of the credit ratings assigned to an Issuer or its debt securities at the request or co-operation of the Issuer in the rating process:**	*In the issue specific summary, insert this Element B.17 only if the Securities are "debt securities" under the Prospectus Regulation.* The senior unsecured long term deposits/debt credit rating of the Issuer is "A" by S&P, "A3" by Moody's and "A" by Fitch.
SECTION C – SECURITIES		
C.1	**Type and class of securities being offered:**	The Securities are: • [Non-interest bearing Securities] [Zero Coupon Securities] [Fixed Rate Securities] [and] [Floating Rate Securities] [and] [Reference Asset Linked Interest Securities which are [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [Hybrid] Linked Interest Securities]. • [Redeemable at par at maturity] [Redeemable at a percentage of par at maturity] [Reference Asset Linked Redemption Securities which are [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [and] [Hybrid] Linked Redemption Securities]. • [Autocall Securities]. The Securities are in the form of notes, and constitute unsecured and unsubordinated debt obligations of the Issuer. [*If the Securities are issued in bearer form*: The Securities are issued in bearer form and represented by a global security.] [*If the Securities are issued in dematerialised form*: The Securities are issued in dematerialised and uncertificated form and will be registered in the book-entry system of [CREST] [*clearing system*].] [*If the Securities are issued in dematerialised form and cleared through SIX SIS Ltd*: 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.] The Securities of a Series will be uniquely identified by [*ISIN*].
C.2	**Currency:**	The Securities will be issued in [*currency*] and any cash amount will be payable in [*currency*] (the "**Settlement Currency**").
C.5	**Restrictions on**	The Securities may not at any time be offered, sold, transferred, exercised or

	free transferability:	delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. 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. **ERISA Restrictions**: 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.
C.8	**Rights attached to the Securities, including ranking and limitations:**	**Status and ranking**: 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. **Interest Amounts**: [*If the Securities do not bear interest:* The Securities shall not bear interest.] [*If the Securities bear interest:* The Securities shall bear interest. See Element [*insert if "debt securities" under the Prospectus Regulation*: C.9 [*insert if "debt securities" under the Prospectus Regulation with a denomination per unit of less than EUR 100,000 and a derivative component in the interest amount:* and Element C.10]] [*insert if "derivative securities" under the Prospectus Regulation:* C.18] below. **Final redemption**: Each Security, unless previously redeemed, subject to and in accordance with its terms and conditions [*insert if the Securities are Autocall Securities*: and provided that an Autocall Redemption Trigger Event (M) (as defined in Element C.18 below) has not occurred on or prior to Valuation $\text{Date}_{(t)}$ (as defined in Element C.18 below) in respect of the Maturity Date], entitles its Holder to receive from the Issuer the Final Redemption Amount on [*insert scheduled maturity date*], subject to adjustment in accordance with the Terms and Conditions (the "**Maturity Date**"). See Element [*insert if a "debt security" under the Prospectus Regulation*: C.9] [*insert if a "derivative security" under the Prospectus Regulation:* C.18] below. [*Insert if Autocall Redemption Payout Terms are applicable:* **Autocall termination:** The Securities will terminate early [or on the Maturity Date] following the occurrence of an Autocall Redemption Trigger Date. See Element C.18 below.] **Unscheduled early termination**: [*Include unless MOT-Listed Securities:* 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 [*include for Reference Asset Linked Securities only:* or affecting the Reference Asset(s)]. 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] [*include if some or all of the principal is "principal protected" at maturity or if there is a non-contingent coupon payable:* , provided that the amount payable shall not be less than the present value of the minimum assured return of [principal] [and] [interest] scheduled to be payable at maturity (as determined by the Calculation Agent)].] [*Include for MOT-Listed Securities:* The Issuer may terminate the Securities early for reasons of illegality. In such case, the amount payable in respect of each Security on such early termination shall be equal to [*insert for MOT-Listed Securities other than Zero Coupon Securities:* the nominal amount of the Security together with accrued interest (if any)] [*insert for MOT-Listed Securities that are Zero Coupon Securities:* the theoretical value of the Security calculated by the Calculation Agent with reference to the yield of the Security during the period from (and including) the issue date to (and including) a day and time prior to early termination or immediately prior to the event of default in relation to such early termination, as the case may be, as selected by the Calculation Agent] [*include if some or all of the principal is "principal protected" at maturity or if there is a non-contingent coupon payable:* , provided that the amount payable shall not be less than the present value of the minimum assured return of [principal] [and] [interest] scheduled to be payable at maturity (as determined by the Calculation Agent)].]

		[*Include for Reference Asset Linked Securities only:* **Adjustments**: The Issuer or Calculation Agent (as applicable) may adjust the terms and conditions of the Securities to account for certain events [*include unless MOT-Listed Securities:* impairing the Issuer's hedge positions] or affecting the underlying Reference Asset(s).] **Payment disruption**: The Issuer may delay payment of any amounts owed under the 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. **Events of Default**: The terms and conditions of the Securities contain the following events of default: (a) default by the Issuer in payment of any principal or interest due in respect of the Securities for more than 10 days; (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 (c) events relating to the winding-up of the Issuer. **Force Majeure**: 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 [*include unless MOT-Listed Securities:* the fair market value of the Securities [*include unless not applicable:* , less the cost to the Issuer of unwinding any related hedging arrangements]] [*include for MOT-Listed Securities other than Zero Coupon Securities:* the nominal amount of the Security together with accrued interest (if any)] [*include for MOT-Listed Securities that are Zero Coupon Securities:* the theoretical value of the Security calculated by the Calculation Agent with reference to the yield of the Security during the period from (and including) the issue date to (and including) a day and time prior to early termination or immediately prior to the event of default in relation to such early termination, as the case may be, as selected by the Calculation Agent] [*include if some or all of the principal is "principal protected" at maturity or if there is a non-contingent coupon payable:* , provided that the amount payable shall not be less than the present value of the minimum assured return of [principal] [and] [interest] scheduled to be payable at maturity (as determined by the Calculation Agent)]. **Substitution**: 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. **Governing Law**: The Securities are governed by English law. **Clearing**: The Securities are cleared through [Euroclear S.A./N.V.] [Clearstream Banking, société anonyme] [Clearstream Banking AG] [CREST] [SIX SIS Ltd] [Euroclear Finland Oy] [Euroclear Sweden AB] [Euroclear Netherlands] [Euroclear France] [Monte Titoli] [*specify other*].
C.9	**Description of the rights attached to the securities including ranking and limitations and interest and redemption**	*In the issue specific summary, insert this Element C.9 only if the Securities are "debt securities" under the Prospectus Regulation (otherwise, Element C.18 applies).* See Element C.8 above for information on rights attaching to the Series of Securities including ranking and limitations. **Interest** [*If the Securities do not bear interest and are not Zero Coupon Securities, insert*: The Securities shall not bear interest.] [*If the Securities do not bear interest and are Zero Coupon Securities, insert*: The Securities are Zero Coupon Securities and shall not bear interest.] [*If the Securities bear interest, insert*: The Securities shall bear interest. The interest

		amount payable will depend on the type of interest applicable.] [*If the Securities bear a fixed or floating rate of interest (and "Change of Interest Basis" is not applicable), insert:* The type of interest that is applicable to the Securities is [Fixed Rate] [Floating Rate].] [*If the Securities are Reference Asset Linked Interest Securities (and "Change of Interest Basis" is not applicable), insert:* The Securities are Reference Asset Linked Interest Securities and the type of applicable interest is [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [Hybrid] Linked Interest.] Below is a description of the type of interest applicable to these Securities. [*If "Change of Interest Basis" is applicable, insert:* The Securities are Change of Interest Basis Securities and the Interest Amount payable in relation to each Security in respect of each interest period falling within the period for which "Interest Basis A" applies shall be determined in accordance with the relevant provisions for Interest Basis A, and the Interest Amount payable in respect of each interest period falling within the period for which "Interest Basis B" applies shall be determined in accordance with the relevant provisions for Interest Basis B. "**Interest Basis A**" means [Fixed Rate] [Floating Rate] [Reference Asset Linked Interest and the Securities are [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [Hybrid] Linked Interest Securities]. "**Interest Basis B**" means [Fixed Rate] [Floating Rate] [Reference Asset Linked Interest and the Securities are [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [Hybrid] Linked Interest Securities]. [*If the type of interest is Fixed Rate, insert*: [Interest Basis [A] [B]:] The Securities bear interest at a fixed rate per annum, which will accrue, in accordance with the terms and conditions of the Securities, from, and including, [*the Fixed Interest Commencement Date*] [*if "Change of Interest Basis" is applicable, insert:* (the "**Fixed Interest Commencement Date**")] to, but excluding, the [Maturity Date] [*if "Change of Interest Basis" is applicable, insert:* the Floating Interest Commencement Date / Reference Asset Linked Interest Commencement Date], such interest being payable in arrear on each Interest Payment Date. The interest amount payable in respect of each nominal amount of the Securities equal to the Calculation Amount on an Interest Payment Date shall be [[*insert fixed coupon amount*] [other than for the Interest Payment Date[s] falling on [*insert date(s)*] on which [*insert broken amount(s)*[, respectively]] shall be payable]] [an amount equal to the product of (i) [*the fixed rate*] per cent. per annum, (ii) [*the Calculation Amount*] (the "**Calculation Amount**") and (iii) the applicable day count fraction]. The Interest Payment Dates will be [*insert Interest Payment Dates*]. **Yield**: indication of yield: [●]. The yield is calculated at the issue date on the basis of the issue price. It is not an indication of future yield.] [*If the type of interest is Floating Rate, insert*: [Interest Basis [A] [B]:] Each Security bears interest on its nominal amount, in accordance with the terms and conditions of the Securities, from, and including, [*the Floating Interest Commencement Date*] [*if "Change of Interest Basis" is applicable, insert:* (the "**Floating Interest Commencement Date**")] to, but excluding, the [Maturity Date] [*if "Change of Interest Basis" is applicable, insert:* the Fixed Interest Commencement Date / Reference Asset Linked Interest Commencement Date], such interest being payable in arrear on each Interest Payment Date. The interest amount payable in respect of each nominal amount of the Securities equal to the Calculation Amount on an Interest Payment Date shall be an amount equal to the product of (i) [*specify the Relevant Rate*] [+/–] [*specify spread*] per cent. per annum [capped at [*insert amount*]] [floored at [*insert amount*]], (ii) [*the Participation*], (iii) [*the Calculation Amount*] (the "**Calculation Amount**") and (iv) the applicable day count fraction. The Interest Payment Dates will be [*insert Interest Payment Dates*].] [*If the type of interest is Reference Asset Linked Interest, insert*: [Interest Basis [A]

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[B]:] The Securities shall bear interest from the [Reference Asset Linked Interest Commencement Date] [if "Change of Interest Basis" is applicable, insert: (the "Reference Asset Linked Interest Commencement Date")] on the basis of the value of [if the Securities are "derivative securities" under the Prospectus Regulation, insert: the Reference Asset[s]] [if separate Reference Asset(s) for the calculation of interest amount(s), insert: the following reference asset[s]:
<table>
<tr><th>i</th><th>Reference Asset$_{(i)}$</th><th>Weighting$_{(i)}$</th><th>Strike Date$_{(i)}$</th><th>Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$</th></tr>
<tr><td>(Reference corresponding to Reference Asset$_{(i)}$)</td><td>(Insert relevant extract)</td><td>(e.g. 15% or delete column if not applicable)</td><td>(Insert date or delete column if not applicable)</td><td>(Insert dates or delete column if not applicable)</td></tr>
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([each, a] [the] "Reference Asset" for the purposes of calculation of relevant interest amounts)] determined as provided below (the "Interest Performance$_{(t)}$") [insert if the Securities are both "debt securities" under the Prospectus Regulation with a denomination per unit of less than EUR 100,000 and Reference Asset Linked Interest Securities: and in Element C.10].

For such purpose, "t" means, in connection with Interest Payment Date$_{(t)}$, the number which corresponds to the number of Interest Payment Dates from, and including, the first Interest Payment Date$_{(t=1)}$ to, and including, the relevant Interest Payment Date$_{(t)}$, subject to a maximum where the relevant Interest Payment Date$_{(t)}$ is the final Interest Payment Date$_{(t=n)}$ where "n" means the total number of Interest Payment Dates.

[In the issue specific summary, if the Securities are both "debt securities" under the Prospectus Regulation with a denomination per unit of at least EUR 100,000 and Reference Asset Linked Interest Securities, insert relevant extracts from Element C.10 below]

[Interest will be payable on the Interest Payment Date[s] detailed in the tables below.]

Redemption

Unless redeemed earlier, the Securities will be redeemed at par on the Maturity Date.
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<td>C.10</td>
<td>Derivative component of Interest Amount of the Securities:</td>
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In the issue specific summary, insert this Element C.10 only if the Securities are both "debt securities" under the Prospectus Regulation with a denomination per unit of less than EUR 100,000 and Reference Asset Linked Interest Securities.

[If the type of interest is Reference Asset Linked Interest: The amount of interest (the "Interest Amount") payable on the Interest Payment Date$_{(t)}$ in respect of each Security in respect of a nominal amount equal to the Calculation Amount in respect of the interest period ending on or about the Interest Payment Date$_{(t)}$ shall be an amount equal to the product of (i) [the Calculation Amount] (the "Calculation Amount"), (ii) the day count fraction and (iii) the Interest Performance$_{(t)}$ in respect of such Interest Payment Date$_{(t)}$.

[If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is European Interest Option or American Interest Option, insert: The Interest Performance$_{(t)}$ in respect of such Interest Payment Date$_{(t)}$ shall depend on whether an Interest Barrier Event (M) (as defined below) occurs [if European Interest Option, insert: on an Interest Observation Date$_{(t)}$] [if American Interest Option, insert: in an Interest Observation Period$_{(t)}$] [if the Securities are Autocall Securities and if "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, insert: , subject to "Autocall Securities" below in this Element C.10].]

[If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is Reference Asset Performance Rate + Spread Interest Option, insert: The Interest Performance$_{(t)}$ in respect of such Interest Payment Date$_{(t)}$ shall be equal to the sum of (i) the product of (a) [the Participation] (the
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		"**Participation**") and (b) Reference Asset Performance Rate$_{(t)}$ and (ii) Spread$_{(t)}$ [*if the Securities are Autocall Securities and if "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, insert:* , subject to "Autocall Securities" below in this Element C.10].] [*If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is Range Accrual Interest Option, insert*: The Interest Performance$_{(t)}$ in respect of such Interest Payment Date$_{(t)}$ shall be based on Reference Asset Performance Rate$_{(t)}$ and the number of Interest Observation Dates$_{(t)}$ in the relevant Interest Observation Period$_{(t)}$ which are non-disrupted scheduled trading days and on which an Interest Barrier Event (M) has occurred [*if the Securities are Autocall Securities and if "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, insert:* , subject to "Autocall Securities" below in this Element C.10].] [*If the Securities are Autocall Securities and if "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, insert:* **Autocall Securities**: If an Autocall Redemption Trigger Event (M) (as defined in Element C.18 below) occurs in respect of any relevant date, the Interest Performance$_{(t)}$ in respect of the Interest Payment Date scheduled to fall on the Autocall Redemption Date shall be zero. Accordingly, in these circumstances, no interest amount shall be payable on the Interest Payment Date scheduled to fall on the Autocall Redemption Date. See also "Autocall Redemption" under Element C.18 below] [*If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is Reference Asset Performance Rate + Spread Interest Option* or *Range Accrual Interest Option, insert*: The "**Reference Asset Performance Rate$_{(t)}$**" is equal to the Reference Asset Performance determined as follows: [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary at C.18 below*] For the purpose of the Reference Asset Performance Rate$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of such Interest Payment Date$_{(t)}$ [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of the Interest Payment Date falling immediately prior to such Interest Payment Date$_{(t)}$].] [*If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is European Interest Option, American Interest Option or Range Accrual Interest Option and if the Interest Barrier Event Mechanism is any of (i) Greater than Barrier – Single, (ii) Less than Barrier – Single or (iii) Collar Barrier, insert:* An interest barrier event (an "**Interest Barrier Event (M)**") shall occur where [the Interest Barrier Event Performance$_{(t)}$ is greater than or equal to the Interest Barrier Level$_{(t)}$ (M=1)] [the Interest Barrier Event Performance$_{(t)}$ is less than or equal to the Interest Barrier Level$_{(t)}$ (M=1)] [the Interest Barrier Event Performance$_{(t)}$ is greater than or equal to the Interest Barrier Level Lower$_{(t)}$ (M) and less than the Interest Barrier Level Upper$_{(t)}$ (M)]. "**M**" means the integer number which corresponds to the relevant [Interest Barrier Level$_{(t)}$ (M=1)] [Interest Barrier Level Upper$_{(t)}$ (M) or Interest Barrier Level Lower$_{(t)}$ (M)], specified in the tables below. [*Where there is one interest barrier level, insert:* In respect of an Interest Payment Date$_{(t)}$, M=1, there will be one [Interest Barrier Level$_{(t)}$] [each of Interest Barrier Level Lower$_{(t)}$ and Interest Barrier Level Upper$_{(t)}$], with M=1 in respect of each Interest Payment Date$_{(t)}$ with corresponding Interest Value$_{(t)}$ and Interest Value Null$_{(t)}$ for M=1, as set out in the tables below.] [*Where there are multiple interest barrier levels, insert:* M will be an integer number from, and including, one to, and including, the integer number which corresponds to the number of different interest barrier levels. Where there are, say, two interest barrier levels in respect of an Interest Payment Date, M=1 and M=2, there will be two [Interest Barrier Levels$_{(t)}$] [pairs of Interest Barrier Level Lower$_{(t)}$ and Interest Barrier Level Upper$_{(t)}$], with M=1 in respect of one and M=2 in respect of the other, each in respect of each Interest Payment Date$_{(t)}$ with corresponding Interest Values$_{(t)}$ and

		Interest Value Nulls$_{(t)}$ for M=1 and M=2, as set out in the tables below.]

Table for determining Barrier Events (Interest Barrier Level applied at Reference Asset$_{(i)}$ level):

t	i	Averaging Dates$_{(t)}$ in respect of Interest Observation Date(s)$_{(t)}$	Interest Observation Date(s)$_{(t)}$ / Period$_{(t)}$	Valuation Date$_{(t)}$ / Averaging Dates$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Barrier Level$_{(t)}$ (M=1) (*Delete for Collar*)			Interest Barrier Level Lower$_{(t)}$ (M) (*Collar only*)			Interest Barrier Level Upper$_{(t)}$ (M) (*Collar only*)		
						M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Interest Payment Date$_{(t)}$)	*(Reference corresponding to Reference Asset$_{(i)}$)*	(*Insert date(s) if applicable*)	(*Insert date(s) or period*)	(*Insert date(s)*)	(*Insert date*)	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*

Table for determining Barrier Events (Interest Barrier Level applied at basket of Reference Asset$_{(i)}$ level):

	Averaging Dates$_{(t)}$ in respect of Interest Observation Date(s)$_{(t)}$	Interest Observation Date(s)$_{(t)}$ / Period$_{(t)}$	Valuation Date$_{(t)}$ / Averaging Dates$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Barrier Level$_{(t)}$ (M=1) (*Delete for Collar*)			Interest Barrier Level Lower$_{(t)}$ (M) (*Collar only*)			Interest Barrier Level Upper$_{(t)}$ (M) (*Collar only*)		
					M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Interest Payment Date$_{(t)}$)	(*Insert date(s) if applicable)*	(*Insert date(s) of period)*	*(Insert date(s))*	*(Insert date(s))*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*

Table for determining Interest Values:

t	Averaging Dates$_{(t)}$ in respect of Interest Observation Date(s)$_{(t)}$	Interest Observation Date(s)$_{(t)}$ / Period$_{(t)}$	Valuation Date$_{(t)}$ / Averaging Dates$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Value$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Interest Value Null$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Spread$_{(t)}$ *(Insert percentage(s) if applicable)*
					M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	
(Reference corresponding to Interest Payment Date$_{(t)}$)	*(Insert date(s) if applicable)*	*(Insert date(s) or period)*	*(Insert date(s))*	*(Insert date)*	*(e.g. 3%)*	*(e.g. 4%)*	*(e.g. 5%)*	*(e.g. 3%)*	*(e.g. 4%)*	*(e.g. 5%)*	*(e.g. 5%)*

		[*If the type of interest is Reference Asset Linked Interest and if the applicable Interest Option Mechanism is European Interest Option, American Interest Option or Range Accrual Interest Option, insert*: The "**Interest Barrier Event Performance$_{(t)}$**" is equal to the Reference Asset Performance determined in accordance with the following: [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary at C.18 below*] For the purpose of the Interest Barrier Event Performance$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of Interest Observation Date$_{(t)}$ [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of the Interest Observation Date falling immediately prior to Interest Observation Date$_{(t)}$].]
C.11	**Admission to trading:**	*In the issue specific summary, insert this Element C.11 unless the Securities are "debt securities" under the Prospectus Regulation with a denomination per unit of at least EUR 100,000* [Application [will be] [has been] made for the Securities to be admitted to trading on [NYSE Euronext Amsterdam] [electronic bond market of Borsa Italiana S.p.A. (MOT - *Mercato Telematico delle Obbligazioni*)] [*exchange*].] [The Securities are not listed.]
C.15	**Effect of underlying instrument(s) on value of investment:**	*In the issue specific summary, insert this Element C.15 if the Securities are "derivative securities" under the Prospectus Regulation.* The value of the Securities will depend on the value of the Reference Asset, as described in Element C.18 below.
C.16	**Maturity Date:**	*In the issue specific summary, insert this Element C.16 if the Securities are "derivative securities" under the Prospectus Regulation.* The Securities are scheduled to redeem on [*insert scheduled maturity date*],

		subject to adjustment in accordance with the Terms and Conditions (the "**Maturity Date**"), [*insert if the Securities are Autocall Securities:* (provided that such Securities have not been redeemed early following the occurrence of an Autocall Redemption Trigger Date (as defined below))].
C.17	**Settlement procedure:**	*In the issue specific summary, insert this Element C.17 only if the Securities are "derivative securities" under the Prospectus Regulation.* 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.
C.18	**Return on the Securities:**	*In the issue specific summary, insert this Element C.18 only if the Securities are "derivative securities" under the Prospectus Regulation.* The return on these Securities will derive from: • [Interest.] • a Final Redemption Amount [provided that an Autocall Redemption Trigger Event (M) (as defined in Element C.18 below) has not occurred on or prior to Valuation Date$_{(t)}$ (as defined in Element C.18 below) in respect of the Maturity Date], • [potentially, [an early / a] redemption amount through the Autocall feature.] [Each such] [Such] return feature is as described below. [*If the Securities are interest-bearing, insert:* **Interest** [*Insert applicable interest provisions from Element C.9 above and (where the Securities are Reference Asset Linked Interest Securities) Element C.10 above*]] **Final Redemption** Each Security, unless previously redeemed, subject to and in accordance with its terms and conditions [*insert if the Securities are Autocall Securities:* and provided that an Autocall Redemption Trigger Event (M) (as defined in Element C.18 below) has not occurred on or prior to Valuation Date$_{(t)}$ (as defined in Element C.18 below) in respect of the Maturity Date], shall become due and payable on the Maturity Date at an amount equal to the Final Redemption Amount. The Final Redemption Amount payable in respect of each nominal amount of the Securities equal to the Calculation Amount will depend on the type of final redemption applicable. [*If the type of final redemption is par or at percentage of par, insert:* The type of final redemption is [Redemption at par] [Redemption at percentage of par].] [*If the Securities are Reference Asset Linked Redemption Securities*, *insert:* The Securities are Reference Asset Linked Redemption Securities for which the type of final redemption is [Commodity Linked Redemption] [Currency Linked Redemption] [Equity Linked Redemption] [Index Linked Redemption] [Index Futures Contract Linked Redemption] [Fund Linked Redemption] [Government Bond Futures Contract Linked Redemption] [Inflation Index Linked Redemption] [Certificate Linked Redemption] [Reference Rate Linked Redemption] [and] [Hybrid Linked Redemption].] Below is a description of the type of final redemption applicable to these Securities. [*If the type of final redemption is Redemption at par, insert*: The "**Final Redemption Amount**" in respect of each nominal amount of each Security shall be [*the Calculation Amount*].] [*If the type of final redemption is Redemption at percentage of par, insert*: The "**Final Redemption Amount**" in respect of each nominal amount of each

Security shall be [*insert amount*] per cent. of [*the Calculation Amount*], i.e., [*insert amount*].]

[*If the type of final redemption is Reference Asset Linked Redemption*, *insert:* The "**Final Redemption Amount**" in respect of each nominal amount of each Security shall be an amount determined on the basis of the value of the following reference assets:

i	Reference $Asset_{(i)}$	$Weighting_{(i)}$	Strike $Date_{(i)}$	Averaging $Dates_{(t)}$ in respect of Strike $Date_{(i)}$
(Reference corresponding to Reference $Asset_{(i)}$)	*(Insert relevant extract)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*

[([each, a] [the] "**Reference Asset**")] / [[each of Reference $Asset_{(i=[\bullet])}$ to, and including,] Reference $Asset_{(i=[\bullet])}$ being, for the purposes of [*insert relevant performance definitions*], [a] [the] "**Reference Asset**"; and [each of Reference $Asset_{(i=[\bullet])}$ to, and including,] Reference $Asset_{(i=[\bullet])}$ being, for the purposes of [*insert relevant performance definitions*], [a] [the] "**Reference Asset**"], determined in accordance with the Final Redemption Amount Mechanism.

The Final Redemption Amount shall be an amount equal to the product of (a) [*the Calculation Amount*] and (b) the sum of (i) the Redemption Percentage and (ii) [the product of] the Participation [and the Final Redemption $Performance_{(t)}$] [*if FX Translation is applicable, insert*: and the FX Rate on Valuation $Date_{(t)}$ in respect of the Maturity Date divided by the FX Rate on Strike $Date_{(i)}$].

- "**t**" means, in connection with the Maturity Date, a date, value or period related to such Maturity Date.
- [The "**FX Rate**" is the rate of exchange between [*insert Specified Currency*] and [*insert Settlement Currency*] at [*insert time*] as quoted on [*insert exchange rate source*].]
- ["**Valuation $Date_{(t)}$**" means, in respect of the Maturity Date, [*insert final Valuation Date*]]
- The "**Participation**" means [*insert percentage*] [*If the Redemption Percentage Mechanism is Knock-In Determination (and unless the Participation percentage specified is zero), insert*: , provided that, if a Knock-In Event has occurred, the Participation shall be zero].
- [*Unless the Participation percentage specified is zero, insert:* The "**Final Redemption $Performance_{(t)}$**" is equal to the Reference Asset Performance determined as follows:

  [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*]

  For the purpose of the Final Redemption $Performance_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of [*insert final Valuation Date*] [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of the Valuation Date falling immediately prior to [*insert final Valuation Date*].]]
- [*If the Redemption Percentage Mechanism is Specified Percentage, insert:* The "**Redemption Percentage**" shall be equal to [*insert Specified Redemption Percentage*].

  [*If the Redemption Percentage Mechanism is Knock-In Determination*, *insert*: The "**Redemption Percentage**" shall depend on whether a Knock-In Event occurs on a Knock-In Observation $Date_{(t)}$ and the DIP Performance. If no Knock-In Event occurs, the Redemption Percentage shall be equal to [*insert Specified Redemption Percentage*]. If a Knock-In Event occurs, the

Redemption Percentage shall be equal to the lesser of (a) the DIP Performance and (b) [*insert Specified Redemption Percentage*].

- [*If the Redemption Percentage Mechanism is Knock-In Determination, insert*: The "**DIP Performance**" is equal to the Reference Asset Performance determined as follows:

  [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*]

  For the purpose of the DIP Performance the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of the [*insert final Valuation Date*] [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of the Valuation Date falling immediately prior to the [*insert final Valuation Date*]].]

- A "**Knock-In Event**" shall occur where the Knock-In Event Reference Asset Performance$_{(t)}$ is equal to or below a Knock-In Level$_{(t)}$ [*if American DIP is applicable, insert*: on any day during the Knock-In Observation Period$_{(t)}$ (each such day, a "**Knock-In Observation Date$_{(t)}$**")] [*if European DIP is applicable, insert*: on a Knock-In Observation Date$_{(t)}$].

t	Knock-In Observation Date(s)$_{(t)}$/Period$_{(t)}$	Averaging Dates$_{(t)}$ in respect of Knock-In Observation Date(s)$_{(t)}$	Knock-In Level$_{(t)}$
(Reference corresponding Knock-In Observation Date(s)$_{(t)}$)	*(Insert date(s) or period)*	*(Insert dates if applicable)*	*(e.g. 0.8)*

- The "**Knock-In Event Reference Asset Performance$_{(t)}$**" is equal to the Reference Asset Performance determined as follows:

  [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*]

  For the purpose of the Knock-In Event Reference Asset Performance$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of the relevant Knock-In Observation Date$_{(t)}$ [*Insert, if applicable:* and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of the Knock-In Observation Date$_{(t)}$ falling immediately prior to the relevant Knock-In Observation Date$_{(t)}$]].]

[*If the Securities are Autocall Securities, insert:*

Autocall Redemption

[*If Autocall Redemption is specified as applicable in the relevant Final Terms, insert*: Unless previously redeemed, purchased or cancelled in accordance with the terms and conditions, the Issuer shall, as soon as practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Autocall Redemption Trigger Date (as described below), give notice to the Holders and each such Security shall become due and payable on the Autocall Redemption Date [(which may be the Maturity Date)] at an amount equal to the Autocall Redemption Amount.

If an Autocall Redemption Trigger Event (M) occurs in respect of an Autocall Redemption Observation Date$_{(t)}$, an "**Autocall Redemption Trigger Date**" shall occur. The Autocall Redemption Trigger Date shall be the Potential Autocall Redemption Trigger Date$_{(t)}$ in respect of the Autocall Redemption Observation Date$_{(t)}$ on which an Autocall Redemption Trigger Event (M) has occurred.

[*If the Autocall Redemption Trigger Event Mechanism is any of (i) Greater than Barrier – Single, (ii) Less than Barrier – Single or (iii) Collar Barrier, insert*:

An "**Autocall Redemption Trigger Event (M)**" shall occur where [the Autocall Redemption Trigger Event Performance$_{(t)}$ is greater than or equal to the Autocall Redemption Trigger Level$_{(t)}$ (M=1)] [the Autocall Redemption Trigger Event Performance$_{(t)}$ is less than or equal to the Autocall Redemption Trigger Level$_{(t)}$ (M=1)] [the Autocall Redemption Trigger Event Performance$_{(t)}$ is greater than or equal to the Autocall Redemption Trigger Level Lower$_{(t)}$ (M) and less than the Autocall Redemption Trigger Level Upper$_{(t)}$ (M)] on [an] [*insert "X" if X is greater than one*] Autocall Redemption Observation Date[s]$_{(t)}$.

The Securities are Reference Asset Linked Redemption Securities for which the type of autocall redemption is [Commodity] [Currency] [Equity] [Index] [Index Futures Contract] [Fund] [Government Bond Futures Contract] [Inflation Index] [Certificate] [Reference Rate] [Hybrid] Linked Redemption.]

The "**Autocall Redemption Trigger Event Performance$_{(t)}$**" is equal to the Reference Asset Performance determined as follows:

[*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*]

For the purpose of the Autocall Redemption Trigger Event Performance$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of the Autocall Redemption Observation Date$_{(t)}$ [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of the Autocall Redemption Observation Date falling immediately prior to the relevant Autocall Redemption Observation Date$_{(t)}$].]

The Autocall Redemption Amount per Calculation Amount shall be determined on the basis of the value of the [*Reference Asset[s]*] and shall depend on the type of autocall redemption applicable.

The "**Autocall Redemption Amount**" payable per Calculation Amount in respect of each Security shall be an amount equal to the product of (a) [*the Calculation Amount*] (the "**Calculation Amount**") and (b) the sum of (i) the Redemption Percentage and (ii) the Autocall Performance$_{(t)}$.

- "**t**" means, in connection with Potential Autocall Redemption Trigger Date$_{(t)}$, a date, value or period related to such Potential Autocall Redemption Trigger Date$_{(t)}$.
- [*If the Redemption Percentage Mechanism is Specified Percentage, insert*: The "**Redemption Percentage**" shall be equal to [*insert Specified Redemption Percentage*].
- [*If the Redemption Percentage Mechanism is Knock-In Determination, insert*: The "**Redemption Percentage**" shall depend on whether a Knock-In Event occurs on a Knock-In Observation Date$_{(t)}$. If no Knock-In Event occurs, the Redemption Percentage shall be equal to [*insert Specified Redemption Percentage*]. If a Knock-In Event occurs, the Redemption Percentage shall be equal to [*insert Autocall Redemption Percentage*].
- A "**Knock-In Event**" shall occur where the Knock-In Event Reference Asset Performance$_{(t)}$ is equal to or below a Knock-In Level$_{(t)}$ [*if American DIP is applicable, insert*: on any day during the Knock-In Observation Period$_{(t)}$ (each such day, a "**Knock-In Observation Date$_{(t)}$**")] [*if European DIP is applicable, insert*: on a Knock-In Observation Date$_{(t)}$].

t	Knock-In Observation Date(s)$_{(t)}$/Period$_{(t)}$	Averaging Dates$_{(t)}$ in respect of Knock-In Observation Date(s)$_{(t)}$	Knock-In Level$_{(t)}$
(Reference corresponding Knock-In Observation Date(s)$_{(t)}$)	*(Insert date(s) or period)*	*(Insert dates if applicable)*	*(e.g. 0.8)*

		• The "**Knock-In Event Reference Asset Performance$_{(t)}$**" is equal to the Reference Asset Performance determined as follows: [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*] For the purpose of the Knock-In Event Reference Asset Performance$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of the relevant Knock-In Observation Date$_{(t)}$ [*Insert, if applicable:* and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of the Knock-In Observation Date$_{(t)}$ falling immediately prior to the relevant Knock-In Observation Date$_{(t)}$]].] • The "**Autocall Performance$_{(t)}$**" is equal to [*if Autocall Redemption Value is the applicable Autocall Redemption Option Mechanism, insert*: Autocall Redemption Value$_{(t)}$ (M)] [*if Autocall Redemption Reference Asset Performance is the applicable Autocall Redemption Option Mechanism, insert*: the sum of (i) [the product of] the Participation [and Autocall Redemption Reference Asset Performance$_{(t)}$] and (ii) Spread$_{(t)}$]. "**M**" means the integer number which corresponds to the relevant [Autocall Redemption Trigger Level$_{(t)}$ (M=1)] [Autocall Redemption Trigger Level Upper$_{(t)}$ (M) or Autocall Redemption Trigger Level Lower$_{(t)}$ (M)], specified in the tables below. [*Where there is one autocall redemption trigger level, insert:* In respect of a Potential Autocall Redemption Trigger Date$_{(t)}$, M=1, there will be one [Autocall Redemption Trigger Level$_{(t)}$] [each of Autocall Redemption Trigger Level Lower$_{(t)}$ and Autocall Redemption Trigger Level Upper$_{(t)}$], with M=1 in respect of each Potential Autocall Redemption Trigger Date$_{(t)}$ with corresponding Autocall Redemption Value$_{(t)}$ for M=1, as set out in the tables below.] [*Where there are multiple autocall redemption trigger levels, insert:* M will be an integer number from, and including, one to, and including, the integer number which corresponds to the number of different autocall redemption trigger levels. Where there are, say, two autocall redemption trigger levels in respect of a Potential Autocall Redemption Trigger Date, M=1 and M=2, there will be two [Autocall Redemption Trigger Levels$_{(t)}$] [pairs of Autocall Redemption Trigger Level Lower$_{(t)}$ and Autocall Redemption Trigger Level Upper$_{(t)}$], with M=1 in respect of one and M=2 in respect of the other, each in respect of each Potential Autocall Redemption Trigger Date$_{(t)}$ with corresponding Autocall Redemption Values$_{(t)}$ for M=1 and M=2, as set out in the tables below.] [*If Autocall Redemption Reference Asset Performance is the applicable Autocall Redemption Option Mechanism, insert*: The "**Participation**" means [*insert percentage*] [*If the Redemption Percentage Mechanism is Knock-In Determination (and unless the Participation percentage specified is zero), insert*: , provided that, if a Knock-In Event has occurred, the Participation shall be zero]. [*If Autocall Redemption Reference Asset Performance is the applicable Autocall Redemption Option Mechanism (and unless the Participation percentage specified is zero), insert*: The "**Autocall Redemption Reference Asset Performance$_{(t)}$**" is equal to the Reference Asset Performance determined as follows: [*Insert relevant extract(s) (including Cap(s) and/or Floor(s) as applicable) from Reference Asset Performance Summary below*] For the purpose of the Autocall Redemption Reference Asset Performance$_{(t)}$ the final Reference Value of a Reference Asset shall be the Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of the relevant Potential Autocall Redemption Trigger Date$_{(t)}$ [*Insert, if applicable*: and the initial Reference Value of a Reference Asset shall be the [strike Reference Value of such Reference Asset] [Reference Value of such Reference Asset in respect of Valuation Date$_{(t)}$ in respect of the Potential Autocall Redemption Trigger Date

		falling immediately prior to the relevant Potential Autocall Redemption Trigger Date$_{(t)}$].]] *[Delete tables below, if not applicable]*

Table for determining Autocall Redemption Trigger Events (Autocall Redemption Trigger Level applied at Reference Asset$_{(i)}$ level):

t	i	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Autocall Redemption Trigger Level$_{(t)}$ (M=1) (*Delete for Collar*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Upper$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Lower$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*		
				M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Autocall Redemption Trigger Date$_{(t)}$)	*Reference corresponding to Reference Asset$_{(i)}$)*	*(Insert date(s) if applicable) [Note: if applicable, include Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) or period) [Note: if applicable, include Valuation Date$_{(t)}$/period ending on Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*

Table for determining Autocall Redemption Trigger Events (Autocall Redemption Trigger Level applied at basket of Reference Asset$_{(i)}$ level):

t	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Autocall Redemption Trigger Level$_{(t)}$ (M=1) (*Delete for Collar*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Upper$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Lower$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*		
			M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Autocall Redemption Trigger Date$_{(t)}$)	*(Insert date(s) if applicable) [Note: if applicable, include Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) or period) [Note: if applicable, include Valuation Date$_{(t)}$/period ending on Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*

Table for determining Autocall Redemption Values:

t	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Valuation Date$_{(t)}$/ Averaging Dates$_{(t)}$ in respect of Potential Autocall Redemption Trigger Date$_{(t)}$	Potential Autocall Redemption Trigger Date$_{(t)}$	Autocall Redemption Value$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Spread$_{(t)}$ *(Insert percentage(s) if applicable)*
					M=1	**M=2**	**M=N**	
(Reference corresponding to Potential Autocall Redemption Trigger Date$_{(t)}$))	*(Insert date(s) if applicable) [Note: if applicable, include Averaging Dates(t) in respect of the Maturity Date]*	*(Insert date(s) or period) [Note: if applicable, include Valuation Date$_{(t)}$/period ending on Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) if applicable) [Note: if applicable, include Valuation Date$_{(t)}$/ Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(Insert date) [Note: if applicable, include Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(e.g. 3%)*	*(e.g. 4%)*	*(e.g. 5%)*	*(e.g. 4%)*

		[In relation to the relevant Reference Asset Performance(s): *If one or more Reference Asset Performance Mechanisms apply to the Securities, insert (where referenced above) applicable extract(s) from the options below, including details of the Reference Value and, if applicable, details of any cap and/or floor and the strike Reference Value*: [*If the type of Reference Asset Performance Mechanism is Aggregate, insert*: The "**Reference Asset Performance**" shall equal the sum of the Constituent Performance in respect of each Reference Asset.] [*If the type of Reference Asset Performance Mechanism is Worst Of, insert*: The "**Reference Asset Performance**" shall equal the Constituent Performance in respect of the worst

		performing Reference Asset.] [*If the type of Reference Asset Performance Mechanism is Best Of, insert*: The "**Reference Asset Performance**" shall equal the Constituent Performance in respect of the best performing Reference Asset.] [*If the type of Reference Asset Performance Mechanism is Best of Replacement, insert*: The "**Reference Asset Performance**" shall be equal to the sum of the Constituent Performance in respect of each Reference Asset, provided that the Constituent Performance of the [*insert number*] best performing Reference Asset[s] shall each be replaced with [*insert Best Of Replacement Amount*].] [*If Lock-in is applicable, insert*: The "**Reference Asset Performance**" shall be equal to the highest of the Constituent Performances of [all / the] Reference Asset[s] observed in respect of each [*insert relevant date*] falling in the period from Strike $\text{Date}_{(i)}$ to, and including, the date in respect of which such Reference Asset Performance is being calculated.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Individual Performance, insert*: The "[**Reference Asset Performance**] [**Constituent Performance**]" shall equal the final Reference Value of a Reference Asset divided by the initial Reference Value of such Reference Asset.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Individual Return, insert*: The "[**Reference Asset Performance**] [**Constituent Performance**]" shall equal the final Reference Value of a Reference Asset divided by the initial Reference Value of such Reference Asset, minus the strike Reference Value of such Reference Asset.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Individual Reverse Return, insert*: The "[**Reference Asset Performance**] [**Constituent Performance**]" shall equal the strike Reference Value of a Reference Asset, minus the final Reference Value of such Reference Asset divided by the initial Reference Value of such Reference Asset.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Replacement Return, insert*: The "[**Reference Asset Performanc**e] [**Constituent Performance**]" shall equal the Reference Value(Replacement). "**Reference Value(Replacement)**" in respect of a Reference Asset shall equal: (a) if the final Reference Value of such Reference Asset is greater than or equal to the initial Reference Value of such Reference Asset, [*insert Replacement Return Amount*]; or (b) if the final Reference Value of such Reference Asset is less than the initial Reference Value of such Reference Asset, the final Reference Value of such Reference Asset divided by the initial Reference Value of such Reference Asset, minus one.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Rate, insert*: The "[**Reference Asset Performance]** [**Constituent Performance**]" shall equal the final Reference Value.] [*If the type of Reference Asset Performance Mechanism or Constituent Performance Mechanism is Specified, insert*: The "[**Reference Asset Performance**] [**Constituent Performance**]" shall equal [*insert percentage*].] [*If the type of Constituent Performance Mechanism is Weighted Individual Performance, insert*: The "**Constituent Performance**" shall equal the product of (a) the final Reference Value of a Reference Asset divided by the initial Reference Value of such Reference Asset and (b) the Weighting.] [*If the type of Constituent Performance Mechanism is Weighted Individual Return, insert*: The "**Constituent Performance**" shall equal the product of (a) the final Reference Value of a Reference Asset divided by the initial Reference Value of such Reference Asset, minus the strike Reference Value of such Reference Asset and (b) the Weighting]. [*If the Reference Asset Performance and/or the Constituent Performance is subject to (i) a Cap, (ii) Floor or (iii) Cap and Floor, insert, as applicable*: The [Constituent Performance is subject to a [cap of [*insert cap*]] [and a] [floor of [*insert floor*]] [and the] [Reference Asset Performance is subject to a [cap of [*insert cap*]] [and a] [floor of [*insert floor*]]].]

		The "**Reference Value**" of a Reference Asset in respect of any relevant date shall be [*insert if averaging is not applicable:* the [price per [*unit*]] [[high] [low] [bid] [ask] [spot] [mid] [*specify other*] currency exchange rate] [official [closing price / closing level / settlement price]] [value / price / level / trading price / net asset value] [per annum rate] [*specify other*] of such Reference Asset [quoted on / published by / referenced on [*screen page or exchange*] / as quoted by the management company / last published or announced by the inflation index sponsor / determined by reference to the value(s) or price(s) published or announced [by/on] [[*information* source] / appropriate sources]] [at [[*time*] / the scheduled closing time / the time at or in respect of which the index sponsor calculates and publishes the official closing level / the time by reference to which the index sponsor calculates the [closing level / exchange delivery settlement price]] [on/for such date]] [*insert if averaging is applicable:* the arithmetic average of the [*insert applicable items from preceding options*] of such Reference Asset [on/for] each Averaging $\text{Date}_{(t)}$ in respect of such date]. [*Insert, if applicable*: The strike Reference Value of a Reference Asset shall be [the Reference Value of such Reference Asset in respect of Strike $\text{Date}_{(i)}$] [*insert pre-determined fixed percentage/number*].]]]
C.19	**Exercise price/final reference price:**	*In the issue specific summary, insert this Element C.19 only if the Securities are "derivative securities" under the Prospectus Regulation.* Unless the Securities are redeemed prior to their scheduled maturity, the [final] Reference Value of the Reference Asset[s] will be determined [on [*insert final Valuation Date*]] [*if averaging is applicable, insert*: as the arithmetic average of the Reference Value of the Reference Asset[s] on [*insert Averaging Dates in respect of final Valuation Date*].
C.20	**Description of the type of underlying and where information on it can be found:**	*In the issue specific summary, insert this Element C.20 only if the Securities are "derivative securities" under the Prospectus Regulation.* The Reference Asset[s] (as defined in Element [C.9] [C.18] above [is [a] [an] [commodity] [commodity futures contract] [currency] [equity share] [index] [commodity index] [index futures contract] [fund] [government bond futures contract] [inflation index] [certificate] [reference rate]] [are a basket of [*specify applicable types*]]. Information on the Reference Asset[s] can be found at [*insert details*].
C.21	**Indication of the market where the securities will be traded and for which prospectus has been published:**	*In the issue specific summary, insert this Element C.21 only if the Securities are "debt securities" under the Prospectus Regulation with a denomination per unit of at least EUR 100,000* In Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Poland, Sweden, Switzerland, The Netherlands and the United Kingdom.
	SECTION D – RISKS	
D.2	**Key risks specific to the Issuer:**	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. As part of a leading global financial services group the Issuer is subject to a number of key risks of the RBS Group: • The RBS Group's businesses and performance can be negatively affected by actual or perceived global economic and financial market conditions • The RBS Group has significant exposure to the continuing economic crisis in Europe • The RBS Group operates in markets that are highly competitive and its business and results of operations may be adversely affected • The RBS Group is subject to political risks • The RBS Group and its UK bank subsidiaries may face the risk of full nationalisation • 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

		• The RBS Group is subject to other global risks • 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 • 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 • 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 • 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 • In the United Kingdom and in other jurisdictions, the RBS Group 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 • 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 • 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 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 • 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 • 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 • The regulatory capital treatment of certain deferred tax assets recognised by the RBS Group depends on there being no adverse changes to regulatory requirements • 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 • The RBS Group is subject to a variety of risks as a result of implementing the State Aid restructuring plan • 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 • 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 • 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

		• 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 the RBS Group's operating results or reputation • 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 • The RBS Group's results could be adversely affected in the event of goodwill impairment • 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 • Operational risks are inherent in the RBS Group's businesses • The RBS Group's operations are highly dependent on its information technology systems • The RBS Group may suffer losses due to employee misconduct • The RBS Group's operations have inherent reputational risk • 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
D.3	**Key risks specific to the Securities:**	*In the issue specific summary, insert this Element D.3 only if the Securities are "debt securities" under the Prospectus Regulation* *[Insert key risks from Element D.6 below]*
D.6	**Key risks specific to the Securities and risk warning that investors may lose entire investment:**	*In the issue specific summary, insert this Element D.6 only if the Securities are "derivative securities" under the Prospectus Regulation* The following are key risks that are specific to the Securities: • ***The value of the Securities is subject to market risk and other factors, and may be less than the purchase price***: 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(s), the volatility of the Reference Asset(s),] fluctuations in the rates of exchange of currencies relating to the Securities [and/or the Reference Asset(s)], interest rates [including the floating rate of interest] and the creditworthiness of the Issuer. • **[*There are specific risks in relation to the type of Reference Asset(s)***: The Securities are [*insert type*]. Investors should ensure that they understand the nature of the Reference Asset[s], the particular Asset Terms that apply to [that][each] 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.] • [***Positive correlation***: All other things being equal, positive performance of the Reference Asset(s) will have a positive effect on the value of the investment, and negative performance of the Reference Asset(s) will have a negative effect on the value of the investment.] • [***Negative correlation***: All other things being equal, negative performance of the Reference Asset(s) will have a positive effect on the value of the investment, and positive performance of the Reference Asset(s) will have a negative effect on the value of the investment.] • [***Greater than 100% participation***: Any increase or decrease in the value or performance of the Reference Asset(s) will have a greater effect on the value of the investment than would have been the case if the investment had been exposed to 100% of the value or performance of the Reference Asset(s).] • [***Less than 100% participation***: Any increase or decrease in the value or performance of the Reference Asset(s) will have a lesser effect on the value of the investment than would have been the case if the investment had been exposed to 100% of the value or performance of the Reference Asset(s).] • [***Leverage***: All other things being equal, positive or negative changes in the performance of the Reference Asset(s) will have a proportionately larger effect on the value of the

		investment, and therefore leverage has the potential to magnify gains or losses of the investment.] • [***Caps***: If the value or performance of the Reference Asset(s) exceeds a cap, then any further increase in the value or performance of the Reference Asset(s) beyond such cap will not affect the value of the investment.] • [***Floors***: If the value or performance of the Reference Asset(s) is below a floor, then any further decrease in the value or performance of the Reference Asset(s) below such floor will not affect the value of the investment.] • [***No capital protection***: All other things being equal, the value or performance of the Reference Asset(s) will affect the value of the investment, to such an extent that the value of the investment at maturity may be zero.] [*Note: not applicable for MOT-Listed Securities]* • [***FX translation***: The value of the investment at maturity will be affected both by the value or performance of the Reference Asset(s) and by the performance of the relevant FX rate between the currency of the Reference Asset(s) and the currency of the investment.] • [***Worst performer (laggard)***: The value or performance of the worst performing constituent in the basket, rather than the basket as a whole, will affect the value of the investment at maturity.] • [***Best performer***: The value or performance of the best performing constituent in the basket, rather than the basket as a whole, will affect the value of the investment at maturity.] • [***Equal weighting in basket***: Equal weighting of each constituent in the basket means that the value or performance of each constituent will have an equal influence on the value of the investment at maturity.] • [***Unequal weighting in basket***: Where the weighting of each constituent in the basket is unequal, the value or performance of at least one constituent will have a disproportionately larger or smaller influence on the value of the investment at maturity.] • [***Futures contracts***: Futures contracts have fixed expiration dates and upon expiration they are rolled into new futures contracts with a later maturity date. The purchase price of the new futures contracts may be more, or less, than the expiration price of the expiring futures contracts. This means that the investment may then be linked to fewer, or more, futures contracts than before the expiration of the old futures contracts. When linked to a smaller number of futures contracts, the performance of the Reference Asset(s) will have a proportionately smaller effect on the value of the investment at maturity. Conversely, when linked to a larger number of futures contracts, the performance of the Reference Asset(s) will have a proportionately larger effect on the value of the investment at maturity.] • [***Autocallable***: If the value or performance of the Reference Asset(s) on a specified date meets certain specified conditions, it will affect the value of the investment, and will potentially lead to the automatic termination of the investment prior to its scheduled maturity. If the Securities are terminated prior to maturity, 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.] • [***Interest rate cap***: If the value or performance of the [Reference Asset(s)] [floating rate of interest] exceeds the cap, then any further increase in the value or performance of the [Reference Asset(s)] [floating rate of interest] beyond the cap will not affect the value of the coupon on any payment date.] • [***Interest rate floor***: If the value or performance of the Reference Asset(s) is below a floor, then any further decrease in the value or performance of the Reference Asset(s) below such floor will not affect the value of the investment.] • [***Interest rate range accrual***: If the value or performance of the Reference Asset(s) on any observation date is not [[at or below/at or above] the specified level][within the specified range], then no coupon will accrue in respect of such observation date.] • **[*Holders of Securities will have no rights in relation to the Reference Asset(s)***: The

		obligations of the Issuer are not secured, and the Issuer is under no obligation to hold the Reference Asset(s). Holders of Securities will not have any legal or beneficial rights or interests in the underlying Reference Asset(s).]
		• ***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***: 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.
		• ***The Securities may be an unsuitable investment depending on the investor's circumstances***: 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.
		• ***There may be no secondary market for the Securities***: 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.
		• ***The issue size is not an indication of liquidity***: 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.
		• [***There are additional risks in relation to Renminbi-denominated securities***: Investors should be aware of the following additional risks in relation to Renminbi (or "**CNY**", being the legal currency of the People's Republic of China ("**PRC**")):
		  • The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC;
		  • There is only limited availability of CNY outside the PRC, which may affect the liquidity of the Securities and the Issuer's ability to source CNY outside the PRC to service the Securities;
		  • Investment in the Securities is subject to exchange rate risks and the Issuer may make payments of interest and principal originally due in Renminbi in U.S. dollars, Hong Kong dollars or another specified currency following a CNY inconvertibility, non-transferability or illiquidity events; and
		  • The value of Renminbi payments under the Securities may be susceptible to interest rate fluctuations, including Chinese Renminbi Repo Rates and/or the Shanghai interbank offered rate (SHIBOR).]
		• **[*Events in relation to the Issuer's hedge positions could result in early termination or adjustments to the Securities***: 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 affect on the value of the Securities.] *[Note: not applicable for MOT-Listed Securities]*
		• ***The Securities may terminate early or be adjusted for unforeseen events***: The Issuer or Calculation Agent (as applicable) may elect to terminate the Securities early for [*insert unless MOT-Listed Securities:* reasons of illegality or tax, [*insert unless "Early termination for illiquidity" is not applicable*: or illiquidity,]] [*insert for MOT-Listed Securities:* reasons of illegality] [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(s)]. In such case, Holders may realise a reduced return, and may be unable to reinvest the proceeds in an investment providing an equivalent return.
		• [*Include unless MOT-Listed Securities:* ***Discretionary determinations by the Issuer and Calculation Agent may take into account the hedging arrangements and could result in adjustment or early termination***: 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.]
		• ***The Issuer, Calculation Agent and Dealer are subject to conflicts of interest***:
		  • 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.
		  • The Issuer and/or any of its affiliates may enter into transactions or carry out other activities in relation to the Reference Asset(s) which may affect the market price, liquidity or value of the Reference Asset(s) or the Securities in a way which could be materially adverse to the interests of the Holders.
		Investors may lose the value of the investment or part of it if the amount payable at maturity is less than the original investment or the Issuer fails and is unable to make the payments owing under the Securities.

SECTION E – THE OFFER		
E.2b	**Reasons for the offer and use of proceeds:**	*In the issue specific summary, insert this Element E.2b unless the Securities are "debt securities" under the Prospectus Regulation with a denomination per unit of at least EUR 100,000* 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).
E.3	**Terms and conditions of the offer:**	*In the issue specific summary, insert this Element E.3 unless the Securities are "debt securities" under the Prospectus Regulation with a denomination per unit of at least EUR 100,000* [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: [*detail minimum and/or maximum subscription, purchase amounts or numbers/possible reductions in the amount or number of Securities requested/ time limits*].]
E.4	**Interests material to the issue/offer including conflicting interests:**	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.3] [and] [Element D.6] above.
E.7	**Estimated expenses charged to the investor by the Issuer:**	[Not applicable; there are no estimated expenses charged to the investor by the Issuer.] [The expenses charged to the investor will be [*amount*].]

RISK FACTORS

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.

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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

A wide range of Securities (in the form of notes) may be issued under the Programme. Certain market and other risks are common to all Securities under this Base Prospectus, whereas others may be particular to certain payout features, to Reference Asset Linked Securities only and, in relation to the latter, to the particular type of Reference Asset(s). These are described below.

1. 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.

Some 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 redemption, 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) *Interest Rates*. Investments in the Securities may involve interest rate risk with respect to the currency of denomination of the Reference Asset (where applicable) and/or the Securities, for example, where interest is payable on the Securities. 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.

(ii) *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.

(iii) *Valuation of the Reference Asset for Reference Asset Linked Securities*. 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.

(iv) *Volatility of the Reference Asset for Reference Asset Linked Securities*. 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.

(v) *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.

(vi) *Disruption of the Reference Asset for Reference Asset Linked Securities*. 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.

(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) The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) 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) unless the Securities are MOT-Listed Securities, (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 EUR 500,000 or its equivalent in another currency, (B) the percentage of the aggregate nominal amount outstanding with respect to such Series of Securities is less than five per cent. of the originally issued aggregate nominal amount or (C) the number of Securities of such Series outstanding is less than 1,000 (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, in respect of (A) Securities other than MOT-Listed Securities, 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, (B) MOT-Listed Securities other than Zero Coupon Securities, the nominal amount of the Securities together

with accrued interest (if any) and (C) MOT-Listed Securities that are Zero Coupon Securities, the theoretical value of the Securities determined by the Calculation Agent with reference to the yield of the Securities during the period from (and including) the Issue Date of the Securities to (and including) a day and time prior to early termination or immediately prior to the Event of Default in relation to early termination, as the case may be; and provided that, in the case where the Securities provide for a minimum assured return of principal or a minimum assured return of interest or coupons, 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 (all as determined by the Calculation Agent). **The Unscheduled Early Termination Amount may be less than the Holder's initial investment and may (in respect of Securities other than MOT-Listed Securities) be 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 1(v) (*Force Majeure*) and risk factor 3(g) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*).

(e) 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 pre-requisite 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 1(d) (*The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) or (if applicable) illiquidity*) and, in respect of Reference Asset Linked Securities, risk factor 3(e) (*Occurrence of Additional Disruption Events*), risk factor 3(f) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*) and risk factor 3(g) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event*)), 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 (see risk factor 1(d) (*The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) or (if applicable) illiquidity*) and, in respect of Reference Asset Linked Securities, risk factor 3(e) (*Occurrence of Additional Disruption Events*), risk factor 3(f) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*) and risk factor 3(g) (*The Securities may*

be terminated early due to an adjustment event in respect of a Reference Asset or an Additional Disruption Event)).

(f) 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.

(g) 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.

(h) 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.

(i) 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 (other than a MOT-Listed 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.

(j) 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 similar 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*).

(k) 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**") - For the avoidance of doubt, in general Securities are not permitted to be held by U.S. persons. 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 (in respect of Securities other than MOT-Listed Securities) elect to terminate the Securities, in accordance with General Term 8(b) (*Tax*), 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. Finally, if any payment on a Security is treated as a Dividend Equivalent Payment, payments, including principal or gross proceeds, on such a Security may be subject to withholding tax under FATCA as discussed in risk factor 1(k) (*U.S. Foreign Account Tax Compliance withholding and forced sale*) below. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

(l) 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 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 (ii) 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.

(m) Proposals to reform LIBOR and other benchmark indices

The London Interbank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transactions data. Investors should be aware that:

(A) any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than what it would otherwise be;

(B) if the applicable rate of interest is calculated with reference to a currency or tenor which is discontinued, such rate of interest may then be determined by the Calculation Agent in its discretion; and

(C) the administrator of LIBOR will not have any involvement in the Securities and may take any actions in respect of LIBOR without regard to the effect of such actions on the Securities.

Any of the above could have a material adverse effect on the value of, and the amount payable under, any Securities which are linked to a LIBOR rate.

Investors should also note that the Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" have also been the subject of increased scrutiny and proposals for reform by a number of international authorities and other bodies. Whether any of these proposals will be implemented is currently unclear. However, as with changes to LIBOR, any significant changes to EURIBOR or other benchmark could have a material adverse effect on the value

of, and the amount payable under, any Securities which are linked to a EURIBOR rate or other benchmark (as applicable).

(n) 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.

(o) 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 redemption, 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.

(p) 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 of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Securities.

(q) 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.

(r) 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.

(s) 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).

(t) 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.

(u) Modification, waivers and substitution

In general, 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, other than in respect of Securities which are MOT-Listed Securities, 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.

(v) 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 1(d) (*The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) or (if applicable) illiquidity*) above for a description of the risks to investors in relation to early termination and the Unscheduled Early Termination Amount.

2. Factors relating to particular payout terms or features of certain Securities

A wide range of Securities (in the form of notes) may be issued under the Programme. A number of these Securities may be structured in such a way that they have features which contain particular risks for potential investors. Certain of such features are described below.

(a) "Principal protected" Securities

Provided that the Issuer does not default on its payment obligations, Reference Asset Linked Securities that are fully or 100 per cent. "principal protected" and which are not early redeemed and which are held to scheduled maturity will pay the full amount of principal regardless of any changes in the value (or other relevant performance measure) of the Reference Asset(s) to which the Securities are linked. However, investors should be aware of the following in relation to "principal protected" Securities:

(i) Holders will always bear the risk that the Issuer may go bankrupt or otherwise default on its obligations to make its payments under the Securities;

(ii) For such Securities, the "principal protection" feature only applies on scheduled maturity; if the Securities are sold by a Holder before then, the sale price received could be less than the principal amount payable at scheduled maturity;

(iii) Upon an unscheduled early redemption of such Securities (other than MOT-Listed Securities), Holders may receive significantly less than the principal amount;

(iv) Any "principal protection" would only apply in relation to the "principal" or the "nominal" amount of the Security; any investor paying more than such amount for the Security is at risk of losing that portion of the investment in excess of the principal;

(v) The amount of interest paid on Securities may be dependent on the performance of one or more Reference Assets and will not be "protected" as described in relation to

principal. Holders may therefore receive no return on their investment in "principal protected" Securities during their term; and

(vi) Securities (other than MOT-Listed Securities) may be partially "principal protected", and therefore a portion of the principal is not "protected" and an investor could lose part of the investment, depending on the performance of the Reference Asset(s) to which such Securities are linked.

(b) Non-"principal protected" Securities

Securities that are not "principal protected" (or which are only partially "principal protected") have their principal at risk of loss as a result of any fluctuations in the value of any Reference Asset(s) to which the Securities are linked. Investors may lose some or all of their investment in such Securities.

(c) Autocall Securities

If Autocall Redemption is specified as applicable in the relevant Final Terms, in respect of a Security and unless previously redeemed or purchased and cancelled, the Issuer shall, as soon as practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Autocall Redemption Trigger Date give an Early Redemption Notice to the Holders and each such Security shall become due and payable on the related Early Redemption Date at an amount equal to the Autocall Redemption Amount.

Holders should be aware that their investment in such Securities may be repaid before the relevant Maturity Date, and that, unless otherwise specified in the relevant Final Terms, they will not receive any premium or compensation in such circumstances for the fact that it may not be possible for them to reinvest the proceeds in similar investments for the remainder of the original term at an equivalent rate.

Prevailing rates of return, as at any Potential Autocall Redemption Trigger Date, with respect to investments similar to callable Securities may be affected by a number of factors, including, but not limited to, market perception, interest rates, yields and foreign exchange rates.

(d) Range accrual Securities

Interest payable on Securities that are range accrual notes only accrues on days when the Reference Asset is within a specified range. Although the rate of interest specified may appear higher than the prevailing market levels, given that no interest accrues on days when the relevant Reference Asset is not within the specified range, the actual return on such Securities could be significantly less than prevailing market levels and could be zero. Any sale price that a Holder could obtain for such Securities may be significantly lower than the price at which the Holder originally acquired such Securities.

(e) Leveraged Securities

Where the Terms and Conditions provide that interest, the Autocall Redemption Amount and/or the Final Redemption Amount is based upon the performance of one or more Reference Assets multiplied by a leverage factor or participation, the Holder may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of one or more Reference Assets. 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.

(f) Digital Coupon Securities

Securities may be issued where interest is, or is not, paid, depending on whether one or more Reference Assets is/are above or below a specified value. Small changes in the value of one or more Reference Assets may have disproportionate consequences on the amount of interest paid and the Holders may not receive any interest, notwithstanding that a Reference Asset has performed positively.

3. Factors relating only to Reference Asset Linked Securities

(a) General

The Issuer may issue Securities linked to one or more Reference Assets ("**Reference Asset Linked Securities**") which could be any of Commodity Linked Securities, Currency Linked Securities, Equity Linked Securities, Index Linked Securities, Index Futures Contract Linked Securities, Fund Linked Securities, Government Bond Futures Contract Linked Securities, Inflation Index Linked Securities, Certificate Linked Securities, Reference Rate Linked Securities or Hybrid Linked Securities.

The market value of an issue of Reference Asset Linked Securities will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to, the following factors:

(i) the value and volatility of (i.e. the rate of change in value of) any relevant Reference Asset(s);

(ii) where the Reference Asset(s) is/are equity securities, the dividend rate on the Reference Asset(s) and the financial results and prospects of the Issuer of each Reference Asset;

(iii) liquidity of (i.e. the depth of the market for and number of people willing to offer to purchase) the Reference Asset(s) in the secondary market;

(iv) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Asset may be traded;

(v) where Securities are linked to any Reference Asset(s) in conjunction with a multiplier greater than or less than one or some other leverage factor, the effect of changes in the Reference Asset(s) on principal or interest payable will likely be magnified or reduced as applicable; and

(vi) the timing of changes affecting any Reference Asset(s) affect the actual yield to investors, even if the average level is consistent with their expectations.

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(s) (if any) is below, equal to or not sufficiently above the value of the Reference Asset(s) at the issue date. The value of the Securities will fluctuate commencing from the issue date. The historical experience of any Reference Asset should not be viewed as an indication of the future performance of such Reference Asset during the term of any Securities with principal or interest determined by reference to such Reference Asset. Accordingly, prospective investors should consult their own financial and legal advisers about the risk entailed by an investment in any such Securities and the suitability of such Securities in light of their particular circumstances.

Prospective investors in Reference Asset Linked Securities should understand the risks of transactions involving Reference Asset Linked Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Asset Linked Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Asset Linked Securities and the particular Reference Asset(s) to which the value of, or payments in respect of, the relevant Reference Asset Linked Securities may relate, as specified in the relevant Final Terms.

As the amount of interest payable periodically and/or any Autocall Redemption Amount and/or the Final Redemption Amount payable at maturity may be linked to the performance of the relevant Reference Asset(s), an investor in a Reference Asset Linked Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Asset(s).

Where the relevant Final Terms specify one or more Reference Asset(s), the relevant Reference Asset Linked Securities will represent an investment linked to the economic performance of such Reference Asset(s) and prospective investors should note that the return (if any) on their investment in Reference Asset Linked Securities will depend upon the performance of such Reference Asset(s).

Potential investors should also note that, whilst the market value of such Reference Asset Linked Securities is linked to such Reference Asset(s) and will be influenced (positively or negatively) by such Reference Asset(s), any change may not be comparable and may be disproportionate and as such the market prices of such Securities may be volatile. It is impossible to predict how the level of the relevant Reference Asset(s) will vary over time. In contrast to a direct investment in the relevant Reference Asset(s), Reference Asset Linked Securities represent the right to receive payment of the relevant Final Redemption Amount(s) on the relevant Maturity Date and/or periodic payments of interest (if specified in the relevant Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Asset(s). The relevant Final Terms will set out the provisions for the determination of the Final Redemption Amount and of any periodic interest payments.

PROSPECTIVE INVESTORS MUST REVIEW THE TERMS AND CONDITIONS OF THE SECURITIES (INCLUDING THE RELEVANT FINAL TERMS AND ANY RELEVANT ANNEX) TO ASCERTAIN WHAT THE RELEVANT REFERENCE ASSET(S) ARE AND TO SEE HOW BOTH THE FINAL REDEMPTION AMOUNT, ANY AUTOCALL AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ASSET LINKED SECURITIES.

(b) 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.

(c) 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.

(d) 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, in respect of Securities other than MOT-Listed Securities, after deduction of expenses for resolving the Payment Disruption Event).

(e) 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 3(g) (*The Securities may be terminated early due an adjustment event in respect of a Reference Asset or Additional Disruption Events*) and risk factor 1(d) (*The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) or (if applicable) illiquidity*)), any of which determinations may have an adverse effect on the value of the Securities.

(f) 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 3(g) (*The Securities may be terminated early due to an adjustment event in respect of a Reference Asset or Additional Disruption Events*) and risk factor 1(d) (*The Securities may be terminated early for reasons of illegality, tax (except in the case of MOT-Listed Securities) or (if applicable) illiquidity*)). 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.

(g) 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 prior to scheduled maturity. 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, in respect of (A) Securities other than MOT-Listed Securities, 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, (B) MOT-Listed Securities other than Zero Coupon Securities, the nominal amount of the Securities together with accrued interest (if any) and (C) MOT-Listed Securities that are Zero Coupon Securities, the theoretical value of the Securities determined by the Calculation Agent with reference to the yield of the Securities during the period from (and including) the Issue Date of the Securities to (and including) a day and time prior to early termination or immediately prior to the Event of Default in relation to early termination, as the case may be; and provided that, in the case where the Securities provide for a minimum assured return of principal or a minimum assured return of interest or coupons, 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 (all as determined by the Calculation Agent). **The Unscheduled Early Termination Amount may be less than the Holder's initial investment and may (in respect of Securities other than MOT-Listed Securities) be 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 3(e) (*Occurrence of Additional Disruption Events*) and 3(f) (*Calculation Agent determination of an adjustment event in respect of a Reference Asset, adjustment to or early termination of the Securities*) above.

(h) 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 3(e) (*Occurrence of Additional Disruption Events*)) or certain adjustment events (see risk factor 3(f) (*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 6 (*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.

(i) Corrections to 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 of the Securities. Any such determination may have an adverse effect on the value of the Securities.

(j) Risks associated with Securities linked to a basket of Reference Assets

The following are particular risks associated with Securities linked to a basket of Reference Assets:

(i) *If the basket constituents are highly correlated, any move in the performance of the basket constituents will exaggerate the impact on the value of the Securities*

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though basket constituents may not appear to be correlated based on past performance, they may nevertheless suffer the same negative performance following a general downturn.

(ii) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents*

Even in the case of a positive performance by the other basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, depending on the terms and conditions of the relevant Securities.

(iii) *A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent*

The performance of a basket that includes a fewer number of basket constituents will generally be more affected by changes in the value of any particular basket constituent than a basket that includes a greater number of basket constituents.

(iv) *A change in composition of a basket may have an adverse effect on basket performance*

Where the terms and conditions of the Securities grant the Issuer the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket.

4. Factors relating to the particular type(s) of Reference Asset(s) linked to a Reference Asset Linked Security

(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 3(f) (*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 sub-division, 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 1(g) (*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 3(e) (*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 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.

(g) 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.

(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.

(i) Risks associated with Inflation Indices

(i) *The level of an Inflation Index may lag or otherwise not track the actual level of inflation in the relevant jurisdiction*

Inflation Indices may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by purchasers of the Securities in such jurisdiction. The value of the Securities which are linked to an Inflation Index may be based on a calculation made by reference to such Inflation Index for a month which is several months prior to the date of payment on the Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Securities.

(ii) *Exposure to certain events in relation to an Inflation Index and the discretion of the Issuer*

Upon the occurrence of certain events in relation to an Inflation Index, e.g., the Inflation Index level has not been published or is discontinued or is corrected or such Inflation Index is rebased or materially modified, then, depending on the particular event, the Issuer has discretion to determine the level, substitute the original Inflation Index, adjust the terms and conditions of the Securities or redeem the Securities. Any such event and consequent exercise of discretion by the Issuer may have an adverse effect on the value of the Securities.

(j) Risks associated with Certificates

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

The price of such Certificates may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Certificate issuer, which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Prospective purchasers should review the terms and conditions of the Certificates to ascertain whether and how such provisions should apply to an investment in the Certificates.

(ii) *Securities linked to Certificates expose the Holder to the credit risk of a Certificate issuer*

The Holders of Securities linked to Certificates will be exposed to the credit risk of one or more issuing entities of such Certificate(s), which exposure may be to a substantial amount of their investment in such Certificates.

Investments in a Certificate are unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Certificate issuer, and losses could be

considerably greater than would be suffered by a direct investor in the obligations of such Certificate issuer and/or could arise for reasons unrelated to such issuer.

(k) Risks associated with Reference Rates

Factors affecting the performance of the relevant Reference Rate may adversely affect the value of the Securities

An investment in a Reference Rate will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Securities linked to a Reference Rate, Holders will receive an amount (if any) determined by reference to the value of the underlying Reference Rate(s).

While the market value of a Reference Rate under normal circumstances is relatively insensitive to changes in interest rates, the income received (if any) is highly dependent upon the value of the Reference Rate over the life of the investment. Total return may be less than anticipated if future interest rate or Reference Rate expectations are not met.

(l) Risks associated with a hybrid basket of Reference Assets

Factors affecting the performance of a basket of two or more distinct Reference Assets may adversely affect the value of the Securities

An investment in Securities linked to a basket of two or more distinct Reference Assets ("**hybrid-linked Securities**") will entail significant risks not associated with an investment in a conventional debt security - being a security issued on terms that the principal investment amount will be repaid on a specified date, together with (one or more) payment(s) of a specified rate of interest on such principal amount. On redemption or exercise, as the case may be, of hybrid-linked Securities, Holders will receive an amount (if any) determined by reference to the value of a combination of a number of different Reference Assets. Hybrid-linked Securities pay interest calculated by reference to the value of the combination of a number of Reference Assets. In this way, investment in hybrid-linked Securities entails the risks associated with more than one asset class.

5. Factors relating to Securities denominated in Renminbi

(a) The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

The Renminbi (or "**CNY**", being the lawful currency of the People's Republic of China) is not freely convertible at present. The government of the People's Republic of China (the "**PRC**") continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the entire PRC and to make Renminbi trade and other current account item settlement available worldwide.

There is no assurance that the PRC government will continue gradually to liberalise the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holders of beneficial interests in Securities denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or other CNY Financial Centre specified in the relevant Final Terms.

(b) There is only limited availability of CNY outside the PRC, which may affect the liquidity of the Securities and the Issuer's ability to source CNY outside the PRC to service the Securities

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China ("**PBOC**"), the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "**Settlement Agreement**") between the PBOC and the Bank of China (Hong Kong) Limited (the "**Renminbi Clearing Bank**") to expand further the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi and Renminbi denominated financial assets outside the PRC is limited. As at 31 January 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately Renminbi 576 billion. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to Renminbi 20,000 per person per day. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Securities. To the extent the Issuer is required to source Renminbi in the offshore market to service the Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

(c) Investment in the Securities is subject to exchange rate risks and the Issuer may make payments of interest and principal originally due in Renminbi in U.S. dollars, Hong Kong dollars or another specified currency in certain circumstances

The value of Renminbi against the U.S. dollar, Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Issuer's primary obligation is to make all Renminbi payments of interest and principal or other amounts with respect to the Securities in Renminbi, (unless the relevant Final Terms provide that "CNY Currency Event" is not applicable) upon the occurrence of certain inconvertibility non-transferability or illiquidity events with regard to CNY, the terms of the Securities allow the Issuer to delay any such payment and/or make payment in U.S. dollars, Hong Kong dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Securities, all as provided for in more detail in the Securities (see Additional Term 7(b) (*CNY Currency Event*)). As a result, the value of such payments in Renminbi (in U.S. dollar, Hong Kong dollar or other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar, Hong Kong

dollar or other foreign currencies, the value of a Holder's investment in U.S. dollars, Hong Kong dollars or other applicable foreign currency terms will decline.

(d) Payments in Renminbi under the Securities will only be made to investors in the manner specified in the Securities

All Renminbi payments to investors in respect of the Securities will be made solely by transfer to a Renminbi bank account maintained in Hong Kong (or other CNY Financial Centre specified in the relevant Final Terms), in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the Securities. The Issuer cannot be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC or anywhere else outside Hong Kong or other CNY Financial Centre specified in the relevant Final Terms).

(e) Interest rate risk

The value of Renminbi payments under the Securities may be susceptible to interest rate fluctuations, including Chinese Renminbi Repo Rates and/or the Shanghai interbank offered rate (SHIBOR).

6. 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 3(h) (*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).

DOCUMENTS INCORPORATED BY REFERENCE

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;

   (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.

8. The press release entitled "Directorate Change", which was published via RNS on 12 June 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.

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 NYSE Euronext Amsterdam 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 or at the registered office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom.

OVERVIEW OF THE SECURITIES AND THE PROGRAMME

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

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

TERMS AND CONDITIONS OF THE SECURITIES

Terms and Conditions:

These comprise:

- the General Terms;
- the applicable Additional Terms (if any);
- the applicable Asset Terms (if any);
- the applicable Payout Terms (including the applicable Reference Asset Performance Terms (if any)); and
- the relevant Final Terms.

Final Terms:

A Final Terms shall be prepared for each issuance of Securities. The Final Terms shall:

- o specify which of the (i) Additional Terms (if any), (ii) Asset Terms (if any) and (iii) Payout Terms (including the applicable Reference Asset Performance Terms (if any)) which shall apply to the particular Securities; and
- o 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).

FORM

Notes, in physical bearer or dematerialised form:

The Securities that may be issued under this Base Prospectus will be in the form of notes. The notes may be in physical bearer form or dematerialised form, as specified in the relevant Final Terms.

RETURN ON THE SECURITIES	The return on the Securities will derive from one or more of the following:
Interest:	• any amounts payable on account of interest under the Securities;
Final Redemption Amount:	• if not redeemed prior to scheduled maturity for any reason, a Final Redemption Amount payable at maturity; and
Autocall Redemption Amount:	• where the Securities are subject to an "autocall" early redemption feature, an Autocall Redemption Amount payable on the occurrence of an "autocall event".
	See the section of this Base Prospectus entitled "*Description of the Return on the Securities*" below.
INDICATIVE ISSUE PRICE	
Issue Price:	The Securities will be issued at a price determined by the Issuer or Dealer who may, in making such determination, refer to, amongst other factors, the value of the Reference Asset(s), the relevant Security's interest and principal repayment 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 NYSE Euronext Amsterdam 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, Clearstream Banking AG, CREST, SIX SIS Ltd., Euroclear Finland, Euroclear Sweden, Euroclear Netherlands, Euroclear France and Monte Titoli, 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.

DESCRIPTION OF THE RETURN ON THE SECURITIES

The following is a description of how the various types of return are calculated for Securities which may be issued under this Base Prospectus. Investors should read the "Payout Terms" within the "Terms and Conditions" set out below in this Base Prospectus as the information in this section is only a summary and a general description of the information set forth in the "Payout Terms".

In addition, this section gives explanations (generally in bold italicised text) as to how the return on the various payout terms (and therefore the value of the Securities) can be affected by the value of the Reference Asset(s) to which the relevant Securities are linked.

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INTRODUCTION

1. Types of return

The types of return on Securities which may be issued under this Base Prospectus may be any one or more of the following:

(a) **Interest**: if applicable for the particular Securities, Holders will be entitled to receive an amount or amounts on the relevant interest payment date(s) on account of interest under the Securities;

(b) **Final Redemption Amount**: if the Securities are not redeemed prior to the scheduled maturity for any reason (and provided that, if applicable, an "Autocall Redemption Trigger Event" has not occurred on or prior to the final valuation date), on the maturity of the Securities Holders will be entitled to receive a "Final Redemption Amount"; and

(c) **Autocall Redemption Amount**: if applicable for the particular Securities, if an "Autocall Redemption Trigger Event" occurs, the Securities will be redeemed on or prior to the maturity on the relevant "Autocall Redemption Date" and Holders will be entitled to receive an "Autocall Redemption Amount".

2. "Plain vanilla" Securities or Reference Asset Linked Securities

The types of return on Securities which may be issued under this Base Prospectus can be divided into two categories:

(a) **"Plain vanilla" or non-Reference Asset Linked Securities**: these Securities could comprise non-interest-bearing, zero coupon or "plain vanilla" interest (i.e. fixed and floating rate) and "plain vanilla" principal (i.e. par and percentage of par) payouts. We describe these in "RETURNS ON "PLAIN VANILLA" OR NON-REFERENCE ASSET LINKED SECURITIES" below; and

(b) **Returns on Reference Asset Linked Securities**: these Securities could comprise interest, final redemption and autocall redemption payouts which are dependent on the performance of one or more underlying assets (which we refer to as "**Reference Assets**"). We describe these in "RETURNS ON REFERENCE ASSET LINKED SECURITIES" below.

3. **Reference Asset Linked Securities**

We describe the following in the section "RETURNS ON REFERENCE ASSET LINKED SECURITIES" below:

(a) the types of Reference Asset Linked Securities that may be issued under this Base Prospectus;

(b) the types of Reference Assets which may be linked to Reference Asset Linked Securities issued under this Base Prospectus;

(c) certain key payout features that, where applicable, may affect the return on Reference Asset Linked Securities; and

(d) how the different types of return on Reference Asset Linked Securities are calculated, broken down by the three different types of return, and including a description of:

(i) the workings of each of the "payout mechanisms"; and

(ii) the different measures of "Reference Asset Performance".

RETURNS ON "PLAIN VANILLA" OR NON-REFERENCE ASSET LINKED SECURITIES

1. **Interest**

(a) **Types of interest**

Securities issued under this Base Prospectus may be any of:

- non-interest bearing securities;
- zero coupon securities;
- fixed rate securities;
- floating rate securities;
- Reference Asset Linked Interest Securities (see "*Return on Reference Asset Linked Interest Securities*" below); or
- securities which change from one interest basis above to another type of interest basis above (other than non-interest bearing and zero coupon) during the term of the securities.

(b) **Description of each type of "plain vanilla" or non-Reference Asset Linked Interest**

(i) ***Non-interest bearing securities***

Each non-interest bearing security shall not bear interest.

(ii) ***Zero coupon securities***

Each zero coupon security shall be issued at a discount to its nominal amount and shall not bear interest.

(iii) ***Fixed rate securities***

Each fixed rate security shall bear interest by reference to one or more fixed rates of interest. The interest amount payable on an interest payment date will be either:

(A) a pre-determined fixed amount; or

(B) an amount equal to the *product of*:

(I) a fixed rate of interest; *multiplied by*

(II) the calculation amount (which is a nominal amount or "face value" equal to the specified denomination or other amount provided in the relevant Final Terms); *further multiplied by*

(III) the applicable day count fraction (which is a fraction used to measure the number of days over which interest has accrued) for the relevant interest period.

All such amounts, rates and other details will be specified in the relevant Final Terms.

Indication of Yield on fixed rate securities: the yield is calculated at the Issue Date on the basis of the Issue Price for such Securities and will be specified in the relevant Final Terms. It is not an indication of future yield.

(iv) ***Floating rate securities***

Each floating rate security shall bear interest by reference to one or more floating rates of interest. The interest amount payable on an interest payment date will be equal to the *product of*:

(A) the applicable floating rate of interest, *plus* or *minus* any spread, and subject to any applicable cap or floor; *multiplied by*

(B) any participation (being a measure of exposure to the performance of the applicable floating rate of interest); *further multiplied by*

(C) the calculation amount (which is a nominal amount or "face value" equal to the specified denomination or other amount provided in the relevant Final Terms); *further multiplied by*

(D) the applicable day count fraction (which is a fraction used to measure the number of days over which interest has accrued) for the relevant interest period.

All such amounts, rates and other details will be specified in the relevant Final Terms.

Each floating rate interest amount payable on the Securities will depend on the level of the floating rate on the relevant determination date(s).

An investor's exposure to the performance of the floating rate will depend on the relevant participation, and potentially if the floating rate of interest is subject to a cap or floor. For example, if the participation is 100 per cent., then the rate of interest will fully reflect the level of the applicable floating rate, *plus* or *minus* the spread (as applicable), and subject to any cap or floor. However, if the participation is, for example, 75 per cent., then the rate of interest will reflect only 75 per cent. of the applicable floating rate, *plus* or *minus* the spread (as applicable), and subject to any cap or floor.

2. **Final Redemption**

(a) **Types of final redemption**

Unless previously redeemed, or purchased and cancelled (or, where applicable, subject to an autocall early redemption), each Security will be redeemed on its maturity by payment of its "Final Redemption Amount", which may be an amount equal to, or determined by, as follows:

- par (or the "face value" of the Securities);
- a specified percentage of par (other than in respect of MOT-Listed Securities); or
- an amount linked to the performance of one or more Reference Assets (see "*Return on Reference Asset Linked Redemption Securities*" below).

(b) **Description of each type of "plain vanilla" or non-Reference Asset Linked Final Redemption**

(i) ***Notes redeemable at par at maturity***

Unless previously redeemed, or purchased and cancelled (or, where applicable, subject to an autocall early redemption), Holders will receive at maturity the calculation amount (which is a nominal amount or "face value" equal to the specified denomination or other amount provided in the relevant Final Terms) on each Security.

Investors should be aware that any such "principal protection" is dependent on (i) the Issuer not becoming bankrupt or insolvent or otherwise failing to pay the full amount when due and (ii) the investor holding the Securities until final maturity and the Securities not being redeemed for any reason prior to scheduled maturity.

(ii) ***Notes redeemable at a percentage of par at maturity***

Unless previously redeemed, or purchased and cancelled (or, where applicable, subject to an autocall early redemption), investors will receive at maturity an amount equal to the *product of* (i) the calculation amount (which is a nominal amount or "face value" equal to the specified denomination or as otherwise provided in the relevant Final Terms) *multiplied by* (ii) a specified percentage, in respect of each Security.

Investors should be aware that if the specified percentage is less than 100 per cent., the Securities are not fully "principal protected". Further, investors should be aware that any such partial "principal protection" is dependent on (i) the Issuer not becoming bankrupt or insolvent or otherwise failing to pay the full amount when due and (ii) the investor holding the Securities until final maturity and the Securities not being redeemed for any reason prior to scheduled maturity.

RETURNS ON REFERENCE ASSET LINKED SECURITIES

1. **General**

Interest or principal (or both) on Securities issued under this Base Prospectus may be linked to the performance of one or more underlying assets. We refer to such underlying assets as "**Reference Assets**" and Securities which are linked to the performance of such assets as "**Reference Asset Linked Securities**".

2. **Types of Reference Asset Linked Securities**

Reference Asset Linked Securities may be any of the following types (including combinations thereof):

(a) ***Reference Asset Linked Interest Securities:*** Securities for which the amount of interest payable is dependent on the performance of one or more Reference Assets;

(b) ***Reference Asset Linked Redemption Securities:*** Securities for which the final redemption amount payable is dependent on the performance of one or more Reference Assets;

(c) ***Autocall Securities:*** Securities which are subject to automatic early redemption on the occurrence of an "Autocall Redemption Trigger Event", since (i) whether or not an "Autocall Redemption Trigger Event" occurs will always depend on the performance of one or more Reference Asset(s) and (ii) the "Autocall Redemption Amount" payable on the occurrence of an Autocall Redemption Trigger Event may depend on the performance of one or more Reference Asset(s); and

(d) ***Combinations:*** Securities may be any one or a combination of Reference Asset Linked Interest Securities, Reference Asset Linked Redemption Securities, Autocall Securities and together with certain "plain vanilla" return features (for example, a Security which pays fixed interest and with a final redemption amount linked to the performance of one or more Reference Assets).

3. **Types of Reference Assets**

Reference Asset Linked Securities may be linked to the performance of any one or more (including a combination) of the following types of Reference Assets:

- commodities (including commodity futures contracts)
- currency exchange rates
- equities
- indices (including commodity indices)
- index futures contracts
- funds
- government bond futures contracts
- inflation indices
- certificates
- reference rates

Provisions dealing with valuation disruptions and extraordinary events and other considerations relating to each type of Reference Asset are set out in the relevant "*Asset Terms*" in this Base Prospectus. The Final Terms will specify the relevant Asset Terms which apply for the particular Reference Asset Linked Securities.

Certain risks relating to each type of Reference Asset are described in "*Risk Factors – Factors relating to the particular type(s) of Reference Asset(s) linked to a Reference Asset Linked Security*" in this Base Prospectus.

4. **Certain key features**

The following are certain key features that may be included in the payout terms (where described below) of Reference Asset Linked Securities:

(a) **Participation**: Participation is a measure of exposure to the Reference Asset Performance. It will be expressed as a percentage in the relevant Final Terms, and may be at, above or below 100 per cent.

If the Participation is greater than 100 per cent., any increase or decrease in the performance of the Reference Asset(s) will have a greater effect on the return on the Securities than would have been the case if the Securities had been exposed to 100 per cent. (or less) of the performance of the Reference Asset(s).

If the Participation is less than 100 per cent., any increase or decrease in the value or performance of the Reference Asset will have a lesser effect on the return on the

Securities than would have been the case if the Securities had been exposed to 100 per cent. (or more) of the value or performance of the Reference Asset.

(b) **Cap**: The performance of the Reference Asset(s) may be subject to a "cap" in the applicable Payout Terms (as described below), notwithstanding that the actual performance may be higher.

Where the performance of the Reference Asset is subject to a cap, any further increase in the performance of the Reference Asset(s) beyond such cap will not have any effect on the relevant return on the Securities.

(c) **Floor**: The performance of the Reference Asset(s) may be subject to a "floor" in the applicable Payout Terms (as described below), notwithstanding that the actual performance may be lower.

Where the performance of the Reference Asset is subject to a floor, any further decrease in the performance of the Reference Asset(s) beyond such floor will not have any effect on the relevant return on the Securities.

(d) **Relative "weighting" of Reference Assets in a basket**: The Securities may be linked to the performance of two or more Reference Asset(s), each to the extent of its respective "weighting" within the basket.

Where each Reference Asset in a basket has an equal weighting, the performance of each Reference Asset will have an equal influence on the return on the Securities. Where each Reference Asset in a basket does not have an equal weighting, the performance of the Reference Asset(s) with the greater weighting will have a disproportionately larger influence on the return on Securities than the performance of a Reference Asset with a lesser weighting.

5. **Return on Reference Asset Linked Interest Securities**

(a) **Base payout formula**

The interest amount payable on an interest payment date in respect of <u>each</u> Reference Asset Linked Interest Security will <u>always</u> be calculated in accordance with the following formula:

(i) the calculation amount (which is a nominal amount or the "face value" of the Securities equal to the specified denomination or other amount provided in the relevant Final Terms); *multiplied by*

(ii) the applicable day count fraction (which is a fraction used to measure the number of days over which interest has accrued), applied to the relevant interest period; *further multiplied by*

(iii) the "Interest Performance" (as described below) in respect of such interest payment date; subject to a floor of zero.

The greater the Interest Performance, the greater the interest amount payable under the Securities.

(b) **Interest Performance**

(i) ***Available options***

The formula for calculating the "Interest Performance" for any particular Securities will be determined by selecting the relevant options through:

- *first*, (A) the "Interest Option Mechanism", *and then* (B), if applicable (depending on the option selected through the "Interest Option Mechanism"), the "Interest Barrier Event Mechanism"; and

- the "Reference Asset Performance Mechanism" and, if the Securities are linked to more than one Reference Asset, the "Constituent Performance Mechanism". The result of such selection(s) in this paragraph will be the "Reference Asset Performance".

(ii) ***Interest Option Mechanism***

One of the four options at paragraphs (A) to (D) below shall be selected in the Final Terms through the "Interest Option Mechanism", each of which is subject to paragraph (E) below:

(A) "**European Interest Option**": if selected, the Interest Performance (and the interest amount payable) will be one of two possible amounts (as will be specified in the relevant Final Terms) depending on whether an "Interest Barrier Event" has occurred on a relevant observation date. The meaning of "Interest Barrier Event" will be determined through electing the relevant option through the "Interest Barrier Event Mechanism" as described in (iii) below.

(B) "**American Interest Option**": if selected, the Interest Performance (and the interest amount payable) will be one of two possible amounts (as will be specified in the relevant Final Terms) depending on whether an "Interest Barrier Event" has occurred during the relevant observation period. The meaning of "Interest Barrier Event" will be determined through electing the relevant option through the "Interest Barrier Event Mechanism" as described in (iii) below.

(C) "**Reference Asset Performance Rate + Spread Interest Option**": if selected, the Interest Performance (and the interest amount payable) will depend on (a) the participation (being a measure of exposure to the Reference Asset Performance, expressed as a percentage in the relevant Final Terms), (b) the "Reference Asset Performance" (see "*Reference Asset Performance*" below) in respect of the relevant date(s), subject to any applicable cap and/or floor, and (c) the spread (being the percentage specified as such in the relevant Final Terms, and which will be *added to* or *subtracted from* the product of (a) and (b) above).

Save for where the Reference Asset Performance is "Individual Reverse Return" (and subject to paragraph (E) below), positive performance of the Reference Asset(s) will have a positive effect on the value of the interest amount payable, and negative performance of the Reference Asset(s) will generally have a negative effect on the value of the interest amount payable. Where the Reference Asset Performance is "Individual Reverse Return" (subject to paragraph (E) below), positive performance of the Reference Asset(s) will have a negative effect on the value of the interest amount payable, and negative performance of the Reference Asset(s) will generally have a positive effect on the value of the interest amount payable.

(D) "**Range Accrual Interest Option**": if selected, the Interest Performance (and the interest amount payable) will depend on (a) the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant date(s), subject to any applicable cap and/or floor (if any) and (b) the number of days in the relevant interest period on which an "Interest Barrier Event" has occurred, *divided by* the total number of specified days in such interest period. The meaning of "Interest Barrier Event" will be determined through electing the relevant option through the "Interest Barrier Event Mechanism" as described in (iii) below.

If an "Interest Barrier Event" does not occur on any relevant observation date, no coupon will accrue for that date, and the interest

amount payable will therefore be less than if an "Interest Barrier Event" had occurred on such date.

(E) **Autocall Securities**: In respect of Autocall Securities (see "*Types of Reference Asset Linked Securities*" above) where "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, if an Autocall Redemption Trigger Event occurs, the Interest Performance in respect of the Interest Payment Date scheduled to fall on the Autocall Redemption Date shall be zero. Accordingly, in these circumstances, no interest amount shall be payable on the Interest Payment Date scheduled to fall on the Autocall Redemption Date. See also "*Return on Autocall Securities*" below.

(iii) ***Interest Barrier Event Mechanism***

The "Interest Barrier Event Mechanism" applies where any of "European Interest Option", "American Interest Option" or "Range Accrual Interest Option" are selected (in the relevant Final Terms) from the "Interest Option Mechanism" above. If applicable, one of the following three options shall be selected in the Final Terms through the "Interest Barrier Event Mechanism":

(A) "**Greater than Barrier – Single**": if selected, an Interest Barrier Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant date is *equal to or above* a specified level (as specified in the relevant Final Terms);

(B) "**Less than Barrier – Single**": if selected, an Interest Barrier Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant date is *equal to or below* a specified level (as specified in the relevant Final Terms); or

(C) "**Collar Barrier**": if selected, an Interest Barrier Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant date is *within a specified range* of levels (as specified in the relevant Final Terms).

(iv) ***Reference Asset Performance Mechanism***

See "*Reference Asset Performance*" below.

6. **Return on Reference Asset Linked Redemption Securities**

(a) **Base payout formula**

The final redemption amount payable on the maturity date in respect of <u>each</u> Reference Asset Linked Redemption Security (provided that, if the securities are Autocall Securities, an Autocall Redemption Trigger Event (as described below) has not occurred on or prior to the final valuation date) will <u>always</u> be calculated in accordance with the following formula:

(i) the calculation amount (which is a nominal amount or the "face value" of the Securities equal to the specified denomination or other amount provided in the relevant Final Terms); *multiplied by*

(ii) the *sum of*:

(A) the "Redemption Percentage" (as described below); *plus*

(B) the *product of*:

(I) the participation, being a percentage specified in the relevant Final Terms (which is a measure of exposure to the Reference Asset Performance), provided that if "Knock-In Determination" is specified as applicable in the relevant Final Terms and a "Knock-In Event" has occurred, the participation shall be zero; *multiplied by*

(II) the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant date subject to any applicable cap or floor, and if "FX Translation" is applicable; *further multiplied by*

(III) the (x) final level of the relevant currency exchange rate *divided by* (y) the initial level of the relevant currency exchange rate. The relevant currency exchange rate will be specified in the relevant Final Terms.

(b) **Application of applicable mechanisms to determine whether FX Translation is applicable, the "Redemption Percentage" amount (if any) and the Reference Asset Performance**

(i) ***General***

The applicable mechanisms shall be applied as follows to determine whether FX Translation is applicable, the "Redemption Percentage" amount (if any) and Reference Asset Performance":

(A) *first*, the "Final Redemption Amount Mechanism"; *then*

(B) the "Redemption Percentage Mechanism"; *and then*

(C) if applicable (depending on the option selected through the "Redemption Percentage Mechanism"), the "Knock-In Event Mechanism"; and

(D) the "Reference Asset Performance Mechanism" and, if the Securities are linked to more than one Reference Asset, the "Constituent Performance Mechanism". The result of such selection(s) in this paragraph (D) will be the "Reference Asset Performance".

(ii) ***Final Redemption Amount Mechanism***

The "Final Redemption Amount Mechanism" determines only whether or not "FX Translation" applies.

If applicable, the Final Redemption Amount payable will additionally be affected by the relevant currency exchange rate, as the performance of the relevant Reference Asset(s) will be converted into the settlement currency at such rate. The greater the relevant currency exchange rate on the relevant valuation date, the greater the return to investors at maturity.

(iii) ***Redemption Percentage Mechanism***

The "Redemption Percentage" amount (if any) will be determined through electing the relevant option through the "Redemption Percentage Mechanism". There are two possible options:

(A) "**Specified Percentage**": if selected, the "Redemption Percentage" will be the percentage specified in the relevant Final Terms.

The Redemption Percentage could be less than 100 per cent. and as low as zero. In such case, you could lose some or up to all of your investment depending on the performance of the Reference Asset(s).

(B) "**Knock-In Determination**": if selected, the "Redemption Percentage" will be determined as follows:

(I) if a Knock-In Event (as described below) has occurred, (x) for the purposes of determination of a Final Redemption Amount, the *lesser of* (aa) the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant valuation date, subject to any applicable cap and/or floor and (bb) the percentage specified in the relevant Final Terms, and (y) for the purposes of determination of an Autocall Redemption Amount, the percentage specified in the relevant Final Terms; or

(II) a Knock-In Event (as described below) has not occurred, the percentage specified in the relevant Final Terms.

If "Knock-In Determination" is selected in respect of determination of a Final Redemption Amount, and a Knock-In Event occurs, the level of Redemption Percentage will not be known in advance and will instead depend on the performance of the Reference Asset(s) in respect of the relevant valuation date (which could be as low as zero).

If "Knock-In Determination" applies in respect of determination of a Final Redemption Amount, the Securities will not be principal protected and you could lose some or up to all of your investment.

Investors should be aware that any "principal protection" (if any) pursuant to the applicable Redemption Percentage Mechanism is dependent on (i) the Issuer not becoming bankrupt or insolvent or otherwise failing to pay the full amount when due and (ii) the investor holding the Securities until final maturity and the Securities not being redeemed for any reason prior to scheduled maturity.

(iv) ***Knock-In Event Mechanism***

The "Knock-In Event Mechanism" applies where the Knock-In Determination option from the "Redemption Percentage Mechanism" is selected (as described above). If applicable, the meaning of "Knock-In Event" will be determined by selecting one of the following two options from the "Knock-In Event Mechanism":

(A) "**American DIP**": if selected, a Knock-In Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of any relevant day during the relevant observation period is *equal to or below* a specified level (as specified in the relevant Final Terms); or

(B) "**European DIP**": if selected, a Knock-In Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of any relevant observation date is *equal to or below* a specified level (as specified in the relevant Final Terms).

(v) ***Reference Asset Performance Mechanism***

See "*Reference Asset Performance*" below.

7. **Return on Autocall Securities**

(a) **General**

For <u>each</u> Autocall Security, if an "Autocall Redemption Trigger Event" (as described below) occurs in respect of any relevant date, a Holder will receive the "Autocall

Redemption Amount" on the applicable Autocall Redemption Date (which may be the maturity date).

(b) **"Autocall Redemption Trigger Event" and "Autocall Redemption Trigger Event Mechanism"**

The meaning of "Autocall Redemption Trigger Event" will be determined by selecting the applicable option from the "Autocall Redemption Trigger Event Mechanism":

(i) "**Greater than Barrier – Single**": if selected, an Autocall Redemption Trigger Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of "X" relevant dates is *equal to or above* a specified level (as specified in the relevant Final Terms);

(ii) "**Less than Barrier – Single**": if selected, an Autocall Redemption Trigger Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of "X" relevant dates is *equal to or below* a specified level (as specified in the relevant Final Terms); or

(iii) "**Collar Barrier**": if selected, an Autocall Redemption Trigger Event shall have occurred where the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of "X" relevant dates is *within a specified range* of levels (as specified in the relevant Final Terms).

"**X**" shall be a number specified in the relevant Final Terms.

(c) **Autocall Redemption Amount**

(i) ***Base payout formula***

The Autocall Redemption Amount will always be calculated in accordance with the following formula:

(A) the calculation amount (which is a nominal amount or the "face value" of the Securities equal to the specified denomination or other amount provided in the relevant Final Terms); *multiplied by*

(B) the *sum of* (i) the "Redemption Percentage" (as described below) *plus* (ii) the "Autocall Performance" in respect of the relevant date. The "Autocall Performance" will be determined by electing the relevant option through the "Autocall Redemption Option Mechanism", as described below.

(ii) ***Autocall Performance and the "Autocall Redemption Option Mechanism"***

The Autocall Redemption Amount payable on the Autocall Redemption Date in respect of each Autocall Security will be determined by selecting the relevant options through:

(A) *first*, (i) the "Redemption Percentage Mechanism", *then* (ii) if applicable (depending on the option selected through the Redemption Percentage Mechanism), the "Knock-In Event Mechanism", *and then* (iii) the "Autocall Redemption Option Mechanism"; and

(B) the "Reference Asset Performance Mechanism" and, if the Securities are linked to more than one Reference Asset, the "Constituent Performance Mechanism". The result of such selection(s) in this paragraph (B) will be the "Reference Asset Performance".

(iii) ***Redemption Percentage Mechanism***

See "*Return on Reference Asset Linked Redemption Securities – Redemption Percentage Mechanism*" above.

(iv) ***Knock-In Event Mechanism***

See "*Return on Reference Asset Linked Redemption Securities – Knock-In Event Mechanism*" above.

(v) ***Autocall Redemption Option Mechanism***

One of the following two options shall be selected in the Final Terms through the "Autocall Redemption Option Mechanism":

(A) "**Autocall Redemption Value**": if selected, the Autocall Performance will be the amount specified as such in the relevant Final Terms; or

(B) "**Autocall Redemption Reference Asset Performance**": if selected, the Autocall Performance will be equal to the *sum of*:

(I) the *product of*:

(x) the participation, being a percentage specified in the relevant Final Terms (which is a measure of exposure to the Reference Asset Performance), provided that if "Knock-In Determination" is specified as applicable in the relevant Final Terms and a "Knock-In Event" has occurred, the participation shall be zero; *multiplied by*

(y) the Reference Asset Performance (see "*Reference Asset Performance*" below) in respect of the relevant valuation date, as applicable), subject to any applicable cap or floor; *plus*

(II) the spread (as specified as such in the relevant Final Terms).

If "Autocall Redemption Reference Asset Performance" applies, the level of the Autocall Performance will not be known in advance and will instead depend on the performance of the Reference Asset(s) in respect of the relevant valuation date (which could be as low as zero). Therefore, if both "Autocall Redemption Reference Asset Performance" and "Knock-In Determination" (in relation to the Redemption Percentage amount) apply, the Securities will <u>not</u> be principal protected and you could lose some or up to all of your investment.

(vi) ***Reference Asset Performance Mechanism***

See "*Reference Asset Performance*" below.

8. **Reference Asset Performance**

(a) **General**

Reference Asset Performance applies to <u>all</u> Reference Asset Linked Securities. It may apply to any (or all or some combination of) the calculation of (i) any applicable interest return, (ii) the final redemption return or (iii) any applicable autocall return.

(b) **Reference Asset Performance Mechanism**

"Reference Asset Performance" refers to the measure of "performance" of the Reference Asset(s) used to calculate the relevant return of Reference Asset Linked Securities. There are a number of different ways of measuring performance for the purposes of the return calculation of Securities which may be issued under this Base Prospectus. These different performance measures are available as potential options under the "Reference Asset Performance Mechanism". These are described below.

(c) **Single Reference Asset or Basket**

(i) **Single Reference Asset**: If the particular Securities are linked to a single Reference Asset, one option (as set forth in (e) (*Options*) below) will be selected to provide the terms of the performance measure of such Reference Asset, which we refer to as the "Reference Asset Performance Mechanism".

(ii) **Basket and/or Lock-in**: If the particular Securities are linked to (A) a basket of two or more Reference Assets or (B) a single Reference Asset and the applicable Reference Asset Performance Mechanism is "Lock-in", two options will be selected: (i) one option to provide the terms of the performance measure of the Reference Asset on relevant dates or each particular Reference Asset within the basket, as applicable, which we refer to as the "Constituent Performance Mechanism" and (ii) another option to provide the terms of the overall performance measure of the Reference Asset or the basket, as applicable, in which case the combination of such option in (ii) and the Constituent Performance Mechanism shall collectively be the "Reference Asset Performance Mechanism". For example, the applicable options (each, as described in (e) *Options*) below) for a particular issuance of Reference Asset Linked Securities which are linked to a basket could be both "Aggregate" and "Individual Performance", so that the "Reference Asset Performance" for the purpose of the interest, final redemption or autocall redemption calculation (as applicable) would be the *sum of* the individual Reference Asset Performances (measured as the value of the relevant Reference Asset in respect of the relevant determination date, *divided by* its initial value in respect of the relevant determination date) for each Reference Asset in the basket.

(d) **Reference value, strike value and initial value**

As referred to in this part 8 (*Reference Asset Performance*):

(i) the "reference value" of a Reference Asset, in respect of any relevant date, shall be equal to the value of such Reference Asset on such date or, if averaging dates are specified to be applicable in the relevant Final Terms, the arithmetic mean of the value of such Reference Asset on each relevant averaging date;

(ii) the "strike value" of a Reference Asset shall be equal to (A) the reference value of such Reference Asset in respect of a specified strike date or (B) a pre-determined percentage or number, as specified in the relevant Final Terms; and

(iii) the "initial value" of a Reference Asset, in respect of any relevant date, shall be (A) the reference value of such Reference Asset in respect of the previous relevant determination date or (B) the strike value of such Reference Asset, as specified in the relevant Final Terms.

(e) **Options**

(i) "**Individual performance**": The Reference Asset Performance for a relevant date shall be equal to the reference value of the Reference Asset in respect of such date *divided by* the initial value of such Reference Asset in respect of such date. This option applies to a single Reference Asset only.

All other things being equal, positive performance of the Reference Asset will have a positive effect on the value of the investment, and negative performance of the Reference Asset will have a negative effect on the value of the investment.

(ii) "**Individual return**": The Reference Asset Performance for a relevant date shall be equal to (A) (I) the reference value of the Reference Asset in respect of such date *divided by* (II) the initial value of such Reference Asset in respect of such date, *minus* (B) the strike value of such Reference Asset. This option applies to a single Reference Asset only.

All other things being equal, positive performance of the Reference Asset will have a positive effect on the value of the investment, and negative performance of the Reference Asset will have a negative effect on the value of the investment.

(iii) "**Individual reverse return**": The Reference Asset Performance for a relevant date shall be equal to (A) the strike value of the Reference Asset, *minus* (B) (I) the reference value of the Reference Asset in respect of such date *divided by* (II) the initial value of such Reference Asset in respect of such date. This option applies to a single Reference Asset only.

All other things being equal, negative performance of the Reference Asset will have a positive effect on the value of the investment, and positive performance of the Reference Asset will have a negative effect on the value of the investment.

(iv) "**Replacement Return**": The Reference Asset Performance for a relevant date shall be equal to:

(A) if the reference value of the Reference Asset in respect of such date is greater than or equal to the initial value of such Reference Asset in respect of such date, a pre-determined replacement amount; or

(B) if the reference value of the Reference Asset in respect of such date is less than the initial value of such Reference Asset in respect of such date, (I) the reference value of such Reference Asset in respect of such date, *divided by* the initial value of such Reference Asset in respect of such date, *minus* (II) one.

This option applies to a single Reference Asset only.

All other things being equal, positive performance of the Reference Asset will have a positive effect on the value of the investment, and negative performance of the Reference Asset will have a negative effect on the value of the investment.

(v) "**Rate**": The Reference Asset Performance for a relevant date shall be equal to the reference value of the Reference Asset in respect of such date. This option applies to a single Reference Asset only.

Generally, positive performance of the Reference Asset will have a positive effect on the value of the Securities, and negative performance of the Reference Asset will have a negative effect on the value of the Securities. The effect on the return will be subject to any applicable cap or floor and, if part of a basket of Reference Assets, the effect (if any) of the basket performance terms (as described below) on the individual Reference Asset Performance.

(vi) "**Specified**": The Reference Asset Performance for a relevant date shall be equal to a pre-determined percentage. This option applies to a single Reference Asset only.

All other things being equal, the higher the percentage, the higher the value of the investment, and the lower the percentage, the lower the value of the investment.

(vii) "**Weighted individual performance**": The Reference Asset Performance for a relevant date shall be equal to the *product of* (A) (I) the reference value of the Reference Asset in respect of such date, *divided by* (II) the initial value of such Reference Asset in respect of such date, *multiplied by* (B) the specified weighting attributed to such Reference Asset. This option applies to a single Reference Asset only, but would be combined with another option to calculate the Reference Asset Performance of the basket.

See the explanations given in relation to (i) ("Individual Performance") and section (d) (Relative "weighting" of Reference Assets in a basket) in part 4 (Features) above.

(viii) "**Weighted individual return**": The Reference Asset Performance for a relevant date shall be equal to the *product of* (A) (I) the reference value of the Reference Asset in respect of such date, *divided by* the initial value of such Reference Asset in respect of such date, *minus* (II) the strike value of such Reference Asset, *multiplied by* (B) the specified weighting attributed to such Reference Asset. This option applies to a single Reference Asset only, but would be combined with another option to calculate the Reference Asset Performance of the basket.

See the explanations given in relation to (i) ("Individual Return") and section (d) (Relative "weighting" of Reference Assets in a basket) in part 4 (Features) above.

(ix) "**Aggregate**": The Reference Asset Performance for a relevant date shall be equal to the *sum of* the individual Reference Asset Performances of each Reference Asset in the basket (each subject to any applicable cap and/or floor (if any)) in respect of such date. This option applies to a basket of Reference Assets only and would be combined with another option to measure the Reference Asset Performance of each Reference Asset in the basket.

See the explanations given in relation to each of the relevant individual Reference Asset Performances above.

(x) "**Worst of**": The Reference Asset Performance for a relevant date shall be equal to the Reference Asset Performance of the worst performing of each of the Reference Assets in the basket (each subject to any applicable cap and/or floor (if any)) in respect of such date. This option applies to a basket of Reference Assets only and would be combined with another option to measure the Reference Asset Performance of each Reference Asset in the basket.

Generally, the greater the individual Reference Asset Performances, the greater the value of the Securities. The performance of only the worst performing Reference Asset in the basket, rather than the basket as a whole, will affect the return on the Securities.

(xi) "**Best of**": The Reference Asset Performance for a relevant date shall be equal to the Reference Asset Performance of the best performing Reference Asset in the basket (each subject to any applicable cap and/or floor (if any)) in respect of such date. This option applies to a basket of Reference Assets only and would be combined with another option to measure the Reference Asset Performance of each Reference Asset in the basket.

Generally, the greater the individual Reference Asset Performances, the greater the value of the Securities. The performance of only the best performing Reference Asset in the basket, rather than the basket as a whole, will affect the return on the Securities.

(xii) "**Best of replacement**": The Reference Asset Performance for a relevant date shall be determined by reference to the *sum of* the Reference Asset Performance of each Reference Asset in the basket (each subject to any applicable cap and/or floor (if any)) in respect of such date, provided that the Reference Asset Performance of a specified number of the best performing Reference Assets shall be replaced with a pre-determined replacement amount. This option applies to a basket of Reference Assets only and would be combined with another option to measure the Reference Asset Performance of each Reference Asset in the basket.

Generally, (A) the greater the individual Reference Asset Performances and (B) the greater the pre-determined replacement amount, the greater will be the return on the Securities. The performance of only those Reference Assets which are <u>not</u> the best performing (and therefore have not been replaced with the replacement amount for purposes of the return calculation on the Securities), rather than the basket as a whole, will affect the return on the Securities.

(xiii) "**Lock-in**": The Reference Asset Performance for a relevant date shall be equal to the greatest Reference Asset Performance of the Reference Asset, or all of the Reference Assets in the basket, as the case may be, (each subject to any applicable cap and/or floor (if any)) in respect of specified dates during a specified period. This option may apply to a single Reference Asset or to a basket of Reference Assets and, in the latter case, would be combined with another option to measure the Reference Asset Performance of each Reference Asset in the basket.

Generally, the greater the individual Reference Asset Performances on the relevant date(s), the greater the value of the investment. In respect of a basket of Reference Assets, the performance of only the best performing Reference Asset in the basket, rather than the basket as a whole, will affect the return on the Securities.

TERMS AND CONDITIONS

GENERAL TERMS

The terms and conditions of the Securities comprise (a) these General Terms, (b) the applicable Additional Terms (if any), (c) the applicable Asset Terms (if any) 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 CREST, SIX SIS Ltd, Euroclear Finland, Euroclear Sweden or Monte Titoli S.p.A or where the Securities are to be admitted to trading on the electronic bond market of Borsa Italiana S.p.A. (MOT - Mercato Telematico delle Obbligazioni), 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 (if any) (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 (if any), 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 (if any);

(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, any 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, any 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 in a nominal amount of the specified denomination (the "**Specified Denomination** ") of the Nominal Amount and shall be 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 nominal amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the nominal amount 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 nominal amount 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 temporary Global Security in bearer form will be exchangeable on or after its Exchange Date, at the request of the Holder:

(i) if such temporary 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, in whole but not in part only, at the request of the bearer of such temporary Global Security, for definitive Securities in bearer form ("**Definitive Securities**");

(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 temporary Global Security submitted for exchange by the Holder, in whole but not in part only, at the request of the bearer of such temporary Global Security, for Definitive Securities; or

(iii) free of charge to such Holder, in whole or from time to time in part, for interests in a permanent Global Security in bearer form,

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.

Each permanent Global Security in bearer form will be exchangeable on or after its Exchange Date, in whole but not in part, at the request of the Holder, for 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) Final Redemption. Each Security, unless previously redeemed or purchased and cancelled (including upon the occurrence of a mandatory early termination event), subject to and in accordance with the applicable Payout Terms, and (where the Securities are represented by Definitive Securities) against presentation of the Definitive Securities, entitles its Holder to receive from the Issuer the Final Redemption Amount (which may be zero).

(b) Interest Amount(s). The relevant Final Terms and the applicable Payout Terms may provide that each Security entitles the Holder to payment of Interest Amount(s) and, where specified to be applicable, such amount(s) shall be payable on each relevant Interest Payment Date (and, where the Securities are represented by Definitive Securities, against presentation of the relevant Coupon(s)).

(c) 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.

(d) Redemption Risk. Redemption of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and none of the Issuer, any Agent or, where the Securities are cleared through CREST, the Registrar 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, the Agents or, where the Securities are cleared through CREST, the Registrar 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.

(e) 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.

(f) Calculations. Notwithstanding anything to the contrary in the Terms and Conditions:

(i) where the Securities are represented by one or more Definitive Securities, then each calculation of an amount payable in respect of such Security hereunder

shall be made on the basis of the relevant Calculation Amount and the amount payable on any particular Security shall be equal to the product of (A) the amount produced by such calculation (after applying any applicable rounding in accordance with General Term 4(e) (*Rounding*)) and (B) a number equal to the Specified Denomination of the relevant Security divided by the relevant Calculation Amount; and

(ii) where the Securities are represented by a Global Security, each calculation of an amount payable in respect of each Security shall be based on the aggregate nominal amount of all such Securities outstanding on such date (or the relevant affected portion thereof), the resulting amount being rounded in accordance with the method provided in General Term 4(e) (*Rounding*) and distributed in accordance with the applicable Clearing System Rules.

(g) 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 (together with, in respect of any Security represented by a Definitive Security, all unmatured Coupons relating to it) 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. Upon the due date for redemption of any Security represented by a Definitive Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. 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. Unless the Securities are cleared through CREST, 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 Coupons and Cancellation

If, in respect of any Security represented by a Global Security in bearer form or a Definitive Security, such Security or, in respect of any Security represented by a Definitive Security, any Coupon 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 and Coupons must be surrendered before replacements will be issued. This General Term 6 (*Replacement of Securities and Coupons 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 similar 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 (i) 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 and (ii) if and to the extent that any of the Securities are cleared through CREST, there shall be a Registrar. 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 or, in respect of any Security represented by a Definitive Security, any Coupon 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/communiques/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 Index Linked Terms, Index Futures Contract Linked Terms, the Fund Linked Terms, the Government Bond Futures Contract Linked Terms, the Inflation Index Linked Terms, the Certificate Linked Terms, the Reference Rate Linked Terms or the Hybrid 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*);

"**Calculation Amount**" means the nominal amount of the Securities specified as such in the relevant Final 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;

"**Coupon**" means an interest coupon attached to each interest bearing Definitive Securities representing an entitlement in respect of an Interest Amount;

"**CREST**" means the dematerialised securities system operated by Euroclear UK and Ireland Limited;

"**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 temporary Global Security in bearer form, the first day following the expiry of 40 days after the Issue Date and, in relation to a permanent Global Security in bearer form, 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;

"**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 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 Redemption Amount**" in regard to the Securities has the meaning given in the applicable Final Redemption Payout Terms;

"**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);

"**Interest Amount**" in regard to any Securities has the meaning given in the Interest Payout Terms;

"**Interest Payment Dates**" in regard to any Securities has the meaning given in the Interest Payout Terms;

"**Intergovernmental Agreement**" means an agreement between the United States and another country in furtherance of Sections 1471-1474 of the U.S. Internal Revenue Code;

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

"**Maturity Date**" has the meaning given in the applicable Payout 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;

"**Nominal Amount**" means the amount specified as such in the relevant Final Terms;

"**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 Interest Payout Terms, the Final Redemption Payout Terms and/or the Autocall Redemption Payout Terms, as applicable, (including the Reference Asset Performance Terms);

"**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);

"**Registrar**" means, in respect of Securities cleared through CREST, Computershare Investor Services plc of The Pavilions, Bridgewater Road, Bristol, BS13 8AE, England, or such other entity specified as such in the relevant Final Terms, and any successor registrar appointed by the Issuer;

"**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;

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

"**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 absolution 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 Maturity 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**" 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.

ADDITIONAL TERMS

The following provisions shall, if applicable, supplement and (to the extent required) amend the General Terms and the Asset Terms, as the case may be.

1. MOT-Listed Securities

If the relevant Final Terms specify that the Securities are to be admitted to trading on the electronic bond market of Borsa Italiana S.p.A. (MOT - *Mercato Telematico delle Obbligazioni*) ("**MOT-Listed Securities**"), then the Terms and Conditions are supplemented and (to the extent required) amended as follows:

(a) Final Redemption. General Term 4(a) (*Final Redemption*) is deleted in its entirety and replaced with the following:

"Final Redemption. Each Security, unless previously redeemed or purchased and cancelled (including upon the occurrence of a mandatory early termination event), subject to and in accordance with the applicable Payout Terms, and (where the Securities are represented by Definitive Securities) against presentation of the Definitive Securities, entitles its Holder to receive from the Issuer the Final Redemption Amount."

(b) General. General Term 4(g) (*General*) is deleted in its entirety and replaced with the following:

"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, provided that they shall act at all times in good faith and in a commercially reasonable manner."

(c) Events of Default. General Term 7 (*Events of Default*) is deleted in its entirety and replaced with the following:

"**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, 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)."

(d) Early Termination for Tax Reasons. General Term 8(b) (*Tax*) is deleted in its entirety.

(e) Payment Disruption. General Term 9(c) shall be deleted in its entirety and replaced with the following:

"No interest shall accrue. Notwithstanding anything else, 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*)."

(f) Taxation. The last sentence of General Term 10 (*Taxation*) shall be deleted in its entirety.

(g) Agents. General Term 11(a) (*Principal Agent and Agents*) shall be deleted in its entirety and replaced with the following:

"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 (i) 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 and (ii) if and to the extent that any of the Securities are cleared through CREST, there shall be a Registrar. 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 shall be made by an Agent in good faith and in a commercially reasonably manner and shall (save in the case of manifest error) be final, conclusive and binding on the Holders."

(h) Determinations and Modifications. General Term 12(b) is deleted in its entirety and General Term 12(c) (*Modifications*) is deleted in its entirety and replaced with the following:

"Modifications: The Issuer may, without the consent of the Holders or any of them, modify any provision of the Terms and Conditions which is: (i) of a formal, minor or technical nature; or (ii) made to correct a manifest error, proven error or other defective provision, as determined by the Issuer in its absolute discretion, provided any such modification is 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 the non-receipt of such notice will not affect the validity of any such modification."

(i) Notices. In addition to the other applicable provisions of General Term 15 (*Notices*), the Issuer shall deliver the relevant notice to Borsa Italiana S.p.A for delivery to the market.

(j) Definitions. The definition of "**Unscheduled Early Termination Amount**" in General Term 19 (*Definitions*) is deleted in its entirety and replaced with the following:

""**Unscheduled Early Termination Amount**" means an amount equal to the Nominal Amount of the Security, together with accrued interest (if any) to the date of repayment, provided that:

(a) notwithstanding anything else, where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Maturity 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 acting in good faith and in a commercially reasonable manner; and

(b) where the Securities are Zero Coupon Securities, the Unscheduled Early Termination Amount shall be an amount equal to the theoretical value of the Security calculated by the Calculation Agent with reference to the yield of the Security during the period from (and including) the Issue Date (as defined in the relevant Final Terms) of the Security to (and including) a day and time prior to early termination, as selected by the Calculation Agent in its sole and absolution discretion (or immediately prior to the Event of Default in relation to early termination under General Term 7 (*Events of Default*)). In calculating such value and selecting such day and time, the Calculation Agent shall act at all times in good faith and in a commercially reasonable manner."

(k) Adjustments and Determinations. Notwithstanding anything else in these Terms and Conditions and in addition to the provisions of the applicable Asset Terms:

In making any determinations and/or adjustments in relation to, or following, the occurrence of a Market Disruption Event, a Disrupted Day, an Additional Disruption Event, a Potential Adjustment Event, an Extraordinary Event, an Index Adjustment Event and/or a term entitled "Adjustment or Early Redemption" (as applicable), as the case may be, the Issuer or Calculation Agent shall notify as soon as practicable the Holders of the occurrence of the relevant event(s) 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 Issuer or Calculation Agent to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer or Calculation Agent to notify the Holders of the occurrence of the relevant event(s) and/or the action proposed to be taken in relation thereto shall not affect the validity of the occurrence and effect of such event(s). In each case, the Issuer and Calculation Agent shall act at all times in good faith and a commercially reasonable manner, with an aim to neutralising the distorting effects of the relevant event(s).

2. Securities Clearing via Monte Titoli

If the relevant Final Terms specify that the Clearing Agent of the Securities is Monte Titoli S.p.A ("**Monte Titoli**"), then the General Terms are supplemented and (to the extent required) amended as follows:

(a) Rules and Regulations on Monte Titoli. The Italian rules and regulations applicable to Monte Titoli when acting as a clearing agent ("**Monte Titoli Clearing Agent Rules**") are the Legislative Decree dated 24 February 1998, No 58 and the Legislative Decree dated 24 June 1998 No 213, together with the Bank of Italy and Consob regulations implementing those decrees and the regulations issued by Monte Titoli to organise its clearing and deposit services, as in force and effect from time to time.

(b) Form and Title. The Securities will be issued, deposited and cleared in a dematerialised book-entry form in accordance with the Monte Titoli Clearing Agent Rules. No physical document of title will be issued to represent a Security. The Securities shall be booked with accounts (a "**Monte Titoli Account**") held by an entity participating to the Monte Titoli system (financial intermediaries, banks, brokers and other authorised

entities pursuant to the Monte Titoli Clearing Agent Rules). The entity shown as the holder of a Monte Titoli Account in the records produced by Monte Titoli shall be treated as the only entity entitled to the Securities booked therein and shall be therefore vested with all rights attached to those Securities (such an entity being a "**Holder**"). A Holder may hold Securities also on behalf of its customers, in which case an account shall be opened between the Holder and its customers to show a book-entry relating to those Securities.

(c) Transfer. The transfer of the Securities will be recorded in the Monte Titoli Accounts (if Securities are transferred from a Holder to another). Holders, if applicable, will accordingly record that transfer in the accounts with their customers.

(d) Address. The registered office of Monte Titoli is in 20123 Milan, Piazza degli Affari 6 – Italy (subject to change).

3. Securities Clearing via CREST

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

(a) Form, Title, Transfer and Other

If CREST is specified as the Clearing Agent in the relevant Final Terms, the Securities will be cleared through CREST. Such Securities will be registered securities in dematerialised and uncertificated form, and will be (i) participating securities and (ii) uncertificated securities in accordance with the Uncertificated Securities Regulations 2001 (SI. No. 3755) as amended, supplemented or replaced from time to time (the "**Regulations**").

Securities cleared through CREST may be transferred in accordance with the Regulations and the rules, procedures and practices of the relevant Operator (as defined below) (together, in relation to Securities cleared through CREST, the applicable "**Clearing Agent Rules**"). No transfer of such Securities will be valid unless and until entered on the relevant Operator register of corporate securities (as defined in, and in accordance with, the Regulations).

In the case of Securities cleared through CREST, title to the Securities is recorded on the relevant Operator register of corporate securities (as defined in the Regulations). The Registrar on behalf of the Issuer will maintain a register of such Securities recorded on the relevant Operator register of corporate securities (the "**Register**") and shall procure that the Register is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator and the Regulations. Subject to this requirement, (i) each person who is for the time being shown in the Register as the holder of such Securities shall be treated by the Issuer and the Registrar as the holder of such Securities for all purposes and (ii) neither the Issuer nor the Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Register which the Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to such Securities (and the expression "**Holder**" and related expressions shall be construed accordingly).

Any reference to the "**Operator**" (as such term is used in the Regulations) shall be to CREST and shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator approved by the Issuer from time to time in accordance with the Regulations and notified to the relevant Holders in accordance with General Term 15 (*Notices*).

Any indication in the Terms and Conditions that the Operator "shall do", or similar expression or phrase indicating that they are obliged to or will carry out any role or obligation described in the Terms and Conditions, as the case may be, is given without

any assumption by the Issuer, the relevant Registrar or the Calculation Agent of responsibility or liability for the performance of the Operator.

(b) Registrar and Registry Services Agreement with respect to Securities Cleared through CREST

In respect of Securities cleared through CREST, the Issuer has entered into an agreement for the provision of registry services with the Registrar.

Payments in respect of Securities cleared through CREST will be made under an agreement as amended, restated or supplemented from time to time (the "**Registry Services Agreement**") for the provision of registry services with the Registrar.

In acting under the Registry Services Agreement, the relevant Registrar will act solely as agent of the Issuer and does not assume any obligations or relationships of agency or trust to or with the Holders.

(c) Payments with respect to Securities Cleared through CREST.

Notwithstanding anything to the contrary contained in the Terms and Conditions, the Issuer shall pay or cause to be paid any amounts due to a Holder of a Security cleared through CREST to such Holder's cash account with the Operator for value on the relevant payment date, such payment to be made in accordance with the Regulations and the rules, procedures and practices in effect of the Operator. The Issuer's obligations in relation to such amounts in respect of Securities cleared through CREST will be discharged by payment to, or to the order of, the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular nominal amount of Securities cleared through CREST must look solely to the Operator for his share of each such payment so made by the Issuer to, or to the order of, the Operator.

(d) Transfer and Consistency Regulations with respect to Securities cleared through CREST

No provisions of any of the Terms and Conditions shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to Securities cleared through CREST, (ii) the transfer of title to Securities cleared through CREST by means of a relevant system or (iii) the Regulations.

Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in the Terms and Conditions, so long as Securities cleared through CREST are participating securities, (i) any such Securities which are not for the time being in all respects identical to, or do not for the time being have rights attached thereto identical in all respects to those attached to other Securities cleared through CREST of the same Series, shall be deemed to constitute a separate Series of Securities, (ii) the Register relating to Securities cleared through CREST shall be maintained at all times in the United Kingdom, (iii) Securities cleared through CREST will be issued in uncertificated form in accordance with and subject as provided in the Regulations and (iv) for the avoidance of doubt, any Terms and Conditions in relation to any Securities cleared through CREST shall remain applicable notwithstanding that they are not endorsed on any certificate for such Securities.

(e) Notices

Notices to Holders shall be given by the delivery of the relevant notice to the Registrar for communication to the Holders pursuant to the procedures for delivery of notices to accountholders in CREST as may be agreed between the Issuer, the Registrar and the Operator from time to time.

4. 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, 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.

5. 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) 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;

(f) 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

(g) 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.

6. 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) 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;

(e) 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

(f) Address. The address of Euroclear Sweden is Box 191, 101 23 Stockholm, Sweden, subject as may change from time to time.

7. Additional CNY Terms

The following provisions will apply in respect of each Series of Securities (i) for which the Settlement Currency is "CNY" or "Renminbi" or (ii) in respect of any payment of CNY under the Securities, unless "Additional CNY Terms" is specified to be "not applicable" in the relevant Final Terms (subject as provided in the first paragraph of (b) (*CNY Currency Event*) below):

(a) Method of Payment

General Term 5(c) (*Method of Payment*) shall be deleted and replaced with the following:

"(c) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in Renminbi, payment of such amount will be made by an Agent on behalf of the Issuer solely by credit to a Renminbi bank account maintained at a bank in the CNY Financial Centre in accordance with applicable laws and regulations. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.";

(b) CNY Currency Event

If, in respect of any Series of Securities, these Additional CNY Terms are applicable then the terms of this paragraph (b) shall be applicable in relation to such Securities unless "CNY Currency Event" is specified to be "not applicable" in the relevant Final Terms.

(i) Meaning. A "**CNY Currency Event**" means the occurrence of any one or more of CNY Inconvertibility, CNY Non-Transferability and CNY Illiquidity, each as defined below:

(A) CNY Inconvertibility. The occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to convert any amount as may be required to be paid by the Issuer under the Securities on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in the CNY Financial Centre, other than where such impossibility is due solely to the failure of the Issuer and/or any of its affiliates, to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer or the relevant affiliate, to comply with such law, rule or regulation) ("**CNY Inconvertibility**");

(B) CNY Non-Transferability. The occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to transfer CNY (I) between accounts inside the CNY Financial Centre or (II) from an account inside the CNY Financial Centre to an account outside the CNY Financial Centre and outside the PRC or (III) from an account outside the CNY Financial Centre and outside the PRC to an account inside the CNY Financial Centre, other than where such impossibility is due solely to the failure of the Issuer and/or the relevant affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer and/or the relevant affiliate, to comply with such law, rule or regulation) ("**CNY Non-Transferability**"). For the purpose of CNY Non-Transferability only, a segregated Chinese Renminbi fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong; and/or

(C) CNY Illiquidity. The occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to obtain a firm quote of an offer price in respect of an amount in CNY equal to any amount which the Issuer (acting in good faith and in a commercially

reasonable manner) considers necessary to discharge its obligations under the Securities and as determined by the Calculation Agent (the "**Relevant Disrupted Amount**"), in each case on the relevant date of payment or settlement with respect to the Securities, either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such Relevant Disrupted Amount, in the general CNY exchange market in the CNY Financial Centre ("**CNY Illiquidity**").

(ii) Consequences. If a CNY Currency Event occurs on or prior to any date on which a payment of any amount is scheduled to be made in respect of any Security (a "**Scheduled Payment Date**"), the Issuer may, in its sole and absolute discretion, determine any one or more of the following:

(A) the relevant payment of the Issuer be postponed to the date that is the Relevant Number of CNY Business Days after the later of:

(I) the date to which such Scheduled Payment Date is postponed, in accordance with the Terms and Conditions; or

(II) the date on which the CNY Currency Event ceases to exist or, if that would not be possible (as determined by the Issuer acting in good faith and in a commercially reasonably manner), as soon as reasonably practicable thereafter; and/or

(B) the Issuer's obligation to make a payment in CNY under the terms of the Securities be replaced by an obligation to pay an amount in the Alternate Currency (converted at the Alternate Settlement Rate determined as of a time selected in good faith and in a commercially reasonably manner by the Calculation Agent); and/or

(C) by giving notice to the relevant Holders in accordance with General Term 15 (*Notices*), the Issuer may redeem all, but not some only, of the Securities, each Security being redeemed at its CNY Early Redemption Amount.

(c) Definitions. General Term 19 (*Definitions*) is supplemented and amended as follows:

The following terms shall be inserted in alphabetical order in General Term 19 (*Definitions*) as defined terms and, in the case of "Business Day" and "Payment Day", the current definitions thereof shall be deleted in their entirety and replaced with the corresponding definitions below:

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

""**Alternate Settlement Rate**" means the spot rate between CNY and the Alternate Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC);";

""**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 CNY Financial Centre;";

""**CNY**" or "**Renminbi**" means the lawful currency of the PRC;";

""**CNY Early Redemption 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 absolution discretion, and provided that:

(a) the calculation shall take no account of the CNY Currency Event; and

(b) notwithstanding anything else, where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Maturity 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 CNY Early Redemption 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;";

""**CNY Financial Centre**" means, Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), or such other financial centre(s) which is specified as such in the relevant Final Terms;";

""**Governmental Authority**" is any de facto or de jure government (or any agency or instrumentality 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) in the PRC and each CNY Financial Centre;";

""**Payment Day**" means (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in each CNY Financial Centre and (b) a day on which each Clearing Agent is open for business;";

""**PRC**" means People's Republic of China, which for the purpose of this document, excludes the - Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;"; and

""**Relevant Number of CNY Business Days**" means the number of Business Days specified as such in the definition of the relevant Series in the relevant Final Terms;".

ASSET TERMS

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 Calculation Agent 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. Common Pricing

Where the Securities are linked to a basket of Commodities and if "Common Pricing" is specified as applicable in the relevant Final Terms, then no date will be a Value Determination Date unless such date is a day on which the Commodity Reference Prices for each Commodity in the basket is scheduled to be published or announced, as determined by the Calculation Agent.

3. 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.

4. 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.

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.

"**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 (or, if more than one, each commodity or specified futures contract relating to an underlying commodity) specified as such in the relevant Final Terms.

"**Commodity Business 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.

"**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 6 (*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 Commodity Business 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 Commodity Business 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.

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

"**LME**" means The London Metal Exchange Limited or its successor.

"**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 Commodity Business Days or such other number of Commodity Business 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.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**Postponement**" means that a Value Determination Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business 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 Commodity Business 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.

"**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 Commodity Business 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 Commodity Business 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, in respect of a Commodity, an Averaging $\text{Date}_{(t)}$ (as defined in the Payout Terms), a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not a Commodity Business Day, the next following Commodity Business Day.

6. 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.

6.1 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.

6.2 **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.

6.3 **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.

6.4 **Coffee**

"**Commodity Reference Price**" means, in respect of any Value Determination Date or other relevant date and Coffee, the Coffee ARABICA-ICE 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.

6.5 **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.

6.6 **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.

6.7 **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.

6.8 **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.

6.9 **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.

6.10 **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.

6.11 **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.

6.12 **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.

6.13 **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.

6.14 **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.

6.15 **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.

6.16 **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.

6.17 **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 LPPM relating to good delivery and fineness form time to time in effect.

6.18 **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.

6.19 **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.

6.20 **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.

6.21 **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.

6.22 **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.

6.23 **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.

6.24 **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.

6.25 **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 (other than an Averaging Date) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Currency Exchange Rate**" is specified in the relevant Final Terms, such Value Determination Date shall be the first succeeding Currency Business Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Currency Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

(i) the last consecutive Currency Business Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the value of the Currency Exchange Rate on that last consecutive Currency Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Currency Exchange Rate in respect of such Value Determination Date.

(b) Where "**Basket of Currency Exchange Rates**" is specified in the relevant Final Terms, the Value Determination Date for each Currency Exchange Rate not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Currency Exchange Rate affected by the occurrence of a Disrupted Day (each, an "**Affected Currency Exchange Rate**") shall be the first succeeding Currency Business Day that is not a Disrupted Day relating to the Affected Currency Exchange Rate, unless the Calculation Agent determines that each of the consecutive Currency Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day relating to the Affected Currency Exchange Rate. In that case:

(i) the last consecutive Currency Business Day shall be deemed to be such Value Determination Date for the Affected Currency Exchange Rate, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the value of the Affected Currency Exchange Rate on that last consecutive Currency Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Affected Currency Exchange Rate in respect of such Value Determination Date.

(c) 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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Currency Exchange Rate provided that, if through the operation of this provision there would not be an Averaging Date, then Currency Linked Term 1 (*Consequences of Disrupted Days*) shall apply for the purposes of determining the Currency Exchange Rate on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Currency Linked Term 1 (*Consequences of Disrupted Days*) shall apply for purposes of determining the Currency Exchange Rate on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Currency Exchange Rate**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Currency Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Currency Business Day shall be deemed to be the Averaging Date (irrespective of whether such Currency Business Day is already an Averaging Date or is a Disrupted Day) and (B) the Calculation Agent shall determine the value of the Currency Exchange Rate on that last consecutive Currency Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent shall be deemed to be the Currency Exchange Rate in respect of such Averaging Date; and

(ii) where "**Basket of Currency Exchange Rates**" is specified in the relevant Final Terms, the Averaging Date for each Currency Exchange Rate not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Currency Exchange Rate affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Currency Exchange Rate. If the first succeeding Valid Date in relation to such Currency Exchange Rate has not occurred as of the Valuation Time on the last consecutive Currency Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Currency Business Day shall be deemed to be the Averaging Date (irrespective of whether such Currency Business Day is already an Averaging Date or is a Disrupted Day) for such Currency Exchange Rate and (B) the Calculation Agent shall determine the value of such Currency Exchange Rate on that last consecutive Currency Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent shall be deemed to be the relevant Currency Exchange Rate in respect of such Averaging Date.

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

"**Currency Exchange Rate**" means, in respect of any relevant day, the currency exchange rate (or, if more than one, each 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 Currency Business 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 Currency Business Days or such other number of Currency Business 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.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**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 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.

"**Valid Date**" means a Currency Business Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

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

"**Value Determination Date**" means an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not a Currency Business Day, the next following Currency Business Day.

EQUITY LINKED TERMS

1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date (other than an Averaging Date) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Equity**" is specified in the relevant Final Terms, 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:

(i) 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

(ii) 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 (ii) shall be deemed to be the Equity Price in respect of such Value Determination Date.

(b) Where "**Basket of Equities**" is specified in the relevant Final Terms, the Value Determination Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Equity affected by the occurrence of a Disrupted Day (each, an "**Affected Equity**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity, 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 relating to the Affected Equity. In that case:

(i) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine its good faith estimate of the value of the Affected Equity as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent pursuant to this paragraph (ii) 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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Equity Price provided that, if through the operation of this provision there would not be an Averaging Date, then Equity Linked Term 1 (*Consequences of Disrupted Days*) shall apply for the purposes of determining the Equity Price on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Equity Linked Term 1 (*Consequences of Disrupted Days*) shall apply for purposes of determining the Equity Price on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Equity**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date or is a Disrupted Day) and (B) the Calculation Agent shall determine its good faith estimate of the value of the Equity as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent shall be deemed to be the Equity Price in respect of such Averaging Date; and

(ii) where "**Basket of Equities**" is specified in the relevant Final Terms, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Equity. If the first succeeding Valid Date in relation to such Equity has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date or is a Disrupted Day) for such Equity 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 shall be deemed to be the relevant Equity Price in respect of such Averaging Date.

"**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 (or, if more than one, each equity security, depositary receipt or 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.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**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.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**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**" an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, 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 (other than an Averaging Date) for an Index (other than a Commodity Index) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Index**" is specified in the relevant Final Terms, 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:

(i) 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

(ii) 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 (ii) shall be deemed to be the Index Level in each case in respect of such Value Determination Date.

(b) Where "**Basket of Indices**" is specified in the relevant Final Terms, the Value Determination Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Index affected by the occurrence of a Disrupted Day (each, an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless 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 relating to the Affected Index. In that case:

(i) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the level of the Affected Index as of the Valuation Time on such last consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Affected 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 Affected 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 (ii) shall be deemed to be the Index Level 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 (other than Averaging Dates where the Adjustment provisions in relation to Averaging Dates are specified to be applicable in the relevant Final Terms) 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 Commodity Business 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 Commodity Business 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 Commodity Business 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,

provided that if "Common Value Determination Date" is specified as applicable in the relevant Final Terms then (a), (b) and (c) above shall not apply, and instead the Value Determination Date shall be the first succeeding Commodity Business Day that the Calculation Agent determines is not a Disrupted Day in respect of any component included in such Commodity Index, unless the Calculation Agent determines that each of the consecutive Commodity Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day in respect of any component included in such Commodity Index. In that case:

(i) the last consecutive Commodity Business Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day in respect of one or more components included in such Commodity Index; and

(ii) the Calculation Agent shall determine the Index Level of the Commodity Index on such last consecutive Commodity Business Day in accordance with the formula for and method of calculating the Commodity Index last in effect prior to the occurrence of the first Disrupted Day using (A) in respect of each component for which such day is not a

Disrupted Day (an "**Unaffected Component**"), the settlement price of such Unaffected Component as published by the relevant trading facility on such day and (B) in respect of each component for which such day is a Disrupted Day (an "**Affected Component**"), the price determined by the Calculation Agent on the Commodity Business Day relating to such Affected Component immediately following the last consecutive Commodity Business Day, notwithstanding that such day may, or may not, be a Disrupted Day for such Affected Component.

If "**Basket of Commodity Indices**" is specified as applicable in the relevant Final Terms then none of the above shall apply, and instead the Value Determination Date for each Commodity Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Commodity Index affected by the occurrence of a Disrupted Day (each, an "**Affected Commodity Index**") shall be the first succeeding Commodity Business Day that is not a Disrupted Day relating to the Affected Index unless each of the consecutive Commodity Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day relating to the Affected Commodity Index. In that case:

(a) the last consecutive Commodity Business Day shall be deemed to be such Value Determination Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day; and

(b) the Calculation Agent shall determine the Index Level of the Affected Commodity Index on such last consecutive Commodity Business Day in accordance with the formula for and method of calculating the Affected Commodity Index last in effect prior to the occurrence of the first Disrupted Day using (i) in respect of each component for which such day is not a Disrupted Day (an "**Unaffected Component**"), the settlement price of such Unaffected Component as published by the relevant trading facility on such day and (ii) in respect of each component for which such day is a Disrupted Day (an "**Affected Component**"), the price determined by the Calculation Agent on the Commodity Business Day relating to such Affected Component immediately following the last consecutive Commodity Business Day, notwithstanding that such day may, or may not, be a Disrupted Day for such Affected Component.

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 (A) or (B) below:

(A) 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

(B) 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 Calculation Agent 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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines, in respect of an Index (in the case of a Commodity Index, only where the Adjustment provisions in relation to Averaging Dates are specified to be applicable in the relevant Final Terms), any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Index Level provided that, if through the operation of this provision there would not be an Averaging Date, then Index Linked Term 1 (*Consequences of Disrupted Days for an Index (other than a Commodity Index)*) or Index Linked Term 2 (*Consequences of Disrupted Days for a Commodity Index*), as applicable, shall apply for the purposes of determining the Index Level on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Index Linked Term 1 (*Consequences of Disrupted Days for an Index (other than a Commodity Index)*) or Index Linked Term 2 (*Consequences of Disrupted Days for a Commodity Index*), as applicable, shall apply for purposes of determining the Index Level on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Index**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day (or, in the case of a Commodity Index, Commodity Business Day) equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted

Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day (or Commodity Business Day, as applicable) shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day (or Commodity Business Day, as applicable) is already an Averaging Date or 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 (or Commodity Business Day, as applicable) 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 (I) in respect of an Index (other than a Commodity Index), 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 (II) in respect of a Commodity Index, (x) in respect of each component for which such day is not a Disrupted Day (an "**Unaffected Component**"), the settlement price of such Unaffected Component as published by the relevant trading facility on such day and (y) in respect of each component for which such day is a Disrupted Day (an "**Affected Component**"), the price determined by the Calculation Agent on the Commodity Business Day relating to such Affected Component immediately following the last consecutive Commodity Business Day, notwithstanding that such day may, or may not, be a Disrupted Day for such Affected Component, and such determination by the Calculation Agent shall be deemed to be the Index Level in each case in respect of such Averaging Date; and

(ii) where "**Basket of Indices**" is specified in the relevant Final Terms, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day (or, in the case of a Commodity Index, Commodity Business Day) equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day (or Commodity Business Day, as applicable) shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day (or Commodity Business Day, as applicable) is already an Averaging Date or is a Disrupted Day) for such Index and (B) the Calculation Agent shall determine the level of such Index as of the Valuation Time on such last consecutive Scheduled Trading Day (or Commodity Business Day, as applicable) in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using (I) in respect of an Index (other than a Commodity Index), the Exchange traded or quoted price as of the Valuation Time on such last consecutive Scheduled Trading Day of each component comprised in such 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 (II) in respect of a Commodity Index, (x) in respect of each component for which such day is not a Disrupted Day (an "**Unaffected Component**"), the settlement price of such Unaffected Component as published by the relevant trading facility on such day and (y) in respect of each component for which such day is a Disrupted Day (an "**Affected Component**"), the price determined by the Calculation Agent on the

Commodity Business Day relating to such Affected Component immediately following the last consecutive Commodity Business Day, notwithstanding that such day may, or may not, be a Disrupted Day for such Affected Component, and such determination by the Calculation Agent shall be deemed to be the relevant Index Level in respect of such Averaging Date.

"**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 Business Day**" means, in respect of 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 Commodity Index.

"**Commodity Index**" means the index (or, if more than one, each 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 Commodity Business 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 (or, if more than one, each 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 or (in respect of a Commodity Index) each Commodity Business Day, as the case may be, 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 Commodity Business Days or such other number of Commodity Business Days specified in the relevant Final Terms.

"**Multi-Exchange Index**" means any Index specified as such in the relevant Final Terms.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout 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 Commodity Business 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.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**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 an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not a Scheduled Trading Day or a Commodity Business Day, as the case may be, the next following Scheduled Trading Day or Commodity Business Day, as the case may be.

INDEX FUTURES CONTRACT LINKED TERMS

1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date (other than an Averaging Date) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Index Futures Contract**" is specified in the relevant Final Terms, 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:

(i) 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

(ii) 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 (ii) shall be deemed to be the Official Settlement Price in respect of such Value Determination Date.

(b) Where "**Basket of Index Futures Contracts**" is specified in the relevant Final Terms, the Value Determination Date for each Index Futures Contract not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Index Futures Contract affected by the occurrence of a Disrupted Day (each, an "**Affected Futures Contract**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Futures Contract, 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 relating to the Affected Futures Contract. In that case:

(i) the last consecutive Scheduled Trading Day shall be deemed to be such Value Determination Date for the Affected Futures Contract, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine its good faith estimate of the value of the Affected 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 (ii) 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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Official Settlement Price provided that, if through the operation of this provision there would not be an Averaging Date, then Index Futures Contract Linked Term 1 (*Consequences of Disrupted Days*) shall apply for the purposes of determining the Official Settlement Price on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Index Futures Contract Linked Term 1 (*Consequences of Disrupted Days*) shall apply for purposes of determining the Official Settlement Price on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Index Futures Contract**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date or is a Disrupted Day) and (B) the Calculation Agent shall determine its good faith estimate of the value of the Index Futures Contract as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Calculation Agent shall

be deemed to be the Official Settlement Price in respect of such Averaging Date; and

(ii) where "**Basket of Index Futures Contracts**" is specified in the relevant Final Terms, the Averaging Date for each Index Futures Contract not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index Futures Contract affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index Futures Contract. If the first succeeding Valid Date in relation to such Index Futures Contract has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date or is a Disrupted Day) for such Index Futures Contract 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 shall be deemed to be the relevant Official Settlement Price in respect of such Averaging Date.

"**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.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout 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.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**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 an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, 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 (or, if more than one, each 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.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**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 an Averaging $\text{Date}_{(t)}$ (as defined in the payout terms), a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, 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 (other than an Averaging Date) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Government Bond Futures Contract**" is specified in the relevant Final Terms, such Value Determination Date shall be the first succeeding Exchange Business Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Exchange Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

(i) the last consecutive Exchange Business Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and

(ii) 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 Exchange Business Day, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Official Settlement Price in respect of such Value Determination Date.

(b) Where "**Basket of Government Bond Futures Contracts**" is specified in the relevant Final Terms, the Value Determination Date for each Government Bond Futures Contract not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Government Bond Futures Contract affected by the occurrence of a Disrupted Day (each, an "**Affected Government Bond Futures Contract**") shall be the first succeeding Exchange Business Day that is not a Disrupted Day relating to the Affected Government Bond Futures Contract, unless the Calculation Agent determines that each of the consecutive Exchange Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day relating to the Affected Government Bond Futures Contract. In that case:

(i) the last consecutive Exchange Business Day shall be deemed to be such Value Determination Date for the Affected Government Bond Futures Contract, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine its good faith estimate of the value of the Affected Government Bond Futures Contract as of the Valuation Time on that last consecutive Exchange Business Day, and such determination by the Calculation Agent pursuant to this paragraph (ii) 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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Official Settlement Price provided that, if through the operation of this provision there would not be an Averaging Date, then Government Bond Futures Contract Linked Term 1 (*Consequences of Disrupted Days*) shall apply for the purposes of determining the Official Settlement Price on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Government Bond Futures Contract Linked Term 1 (*Consequences of Disrupted Days*) shall apply for purposes of determining the Official Settlement Price on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Government Bond Futures Contract**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Exchange Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether such Exchange Business Day is already an Averaging Date or is a Disrupted Day) and (B) the Calculation Agent shall determine its good faith estimate of the

value of the Government Bond Futures Contract as of the Valuation Time on that last consecutive Exchange Business Day, and such determination by the Calculation Agent shall be deemed to be the Official Settlement Price in respect of such Averaging Date; and

(ii) where "**Basket of Government Bond Futures Contracts**" is specified in the relevant Final Terms, the Averaging Date for each Government Bond Futures Contract not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Government Bond Futures Contract affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Government Bond Futures Contract. If the first succeeding Valid Date in relation to such Government Bond Futures Contract has not occurred as of the Valuation Time on the last consecutive Exchange Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether such Exchange Business Day is already an Averaging Date or is a Disrupted Day) for such Government Bond Futures Contract 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 Exchange Business Day, and such determination by the Calculation Agent shall be deemed to be the relevant Official Settlement Price in respect of such Averaging Date.

"**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 Exchange Business 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).

"**Exchange Business 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.

"**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 Exchange Business Days or such other number of Exchange Business Days specified in the relevant Final Terms.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout 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 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.

"**Valid Date**" means an Exchange Business Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**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 an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not an Exchange Business Day, the next following Exchange Business Day.

INFLATION INDEX LINKED TERMS

1. Adjustments and Determination

(a) Delay in Publication

If the Calculation Agent determines, in respect of an Inflation Index, that a Delayed Inflation Index Level Event in respect of an Inflation Index has occurred with respect to a Value Determination Date, then the Calculation Agent shall determine a Substitute Reference Level (in place of the Relevant Level) for such Inflation Index as follows:

(i) if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, the Calculation Agent will take the same action to determine the Substitute Reference Level for the Affected Value Determination Date as that taken by the relevant calculation agent pursuant to the terms and conditions of the relevant Related Bond; or

(ii) if (A) "Related Bond" is specified as not applicable for such Inflation Index in the relevant Final Terms or (B) paragraph (i) above does not result in a Substitute Reference Level for the Affected Value Determination Date for any reason, the Calculation Agent shall determine the Substitute Reference Level by reference to the following formula:

$$\text{Substitute Reference Level} = \text{Base Level} \times \left(\text{Latest Level}/\text{Reference Level}\right)$$

If a Relevant Level in respect of any date upon which any payment may have to be made by the Issuer is published or announced at any time after the Adjustment Cut-Off Date, such Relevant Level will not be used in any calculations. The Substitute Reference Level determined pursuant to this Inflation Index Linked Term 1(a) (*Delay in Publication*) will be the definitive level for that Reference Month.

(b) Cessation of Publication

If the Calculation Agent determines that a Level for the Inflation Index has not been published or announced for two consecutive months or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a successor index (in lieu of any previously applicable Inflation Index) for the purposes of the Securities by using the following methodology:

(i) if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, if at any time, a successor index has been designated by the relevant calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a "Successor Inflation Index" notwithstanding that any other Successor Inflation Index may previously have been determined under paragraph (ii), (iii) or (iv) below; or

(ii) if either (A) "Related Bond" is specified as not applicable for such Inflation Index in the relevant Final Terms or (B) a Successor Inflation Index has not been determined pursuant to paragraph (i) and a notice has been given or an announcement has been made by the Inflation Index Sponsor specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for the purposes of the Securities from the date that such replacement Inflation Index comes into effect and such replacement Index will be deemed the "Successor Inflation Index"; or

(iii) if a Successor Inflation Index has not been determined pursuant to paragraph (i) or (ii), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received, the Calculation Agent will proceed to paragraph (iv); or

(iv) if no Successor Inflation Index has been deemed under paragraph (i), (ii) or (iii), by the next occurring Adjustment Cut-Off Date, the Calculation Agent will determine an appropriate alternative index for the Affected Value Determination Date, and such index will be deemed a "Successor Inflation Index".

If a Successor Inflation Index is determined in accordance with the above, the Calculation Agent shall make such adjustment(s) to the Terms and Conditions as the Calculation Agent determines necessary or appropriate to account for such Successor Inflation Index and determine the effective date(s) of the adjustment(s) to the Securities.

The Calculation Agent shall as soon as practicable give notice to the Holders in accordance with General Term 15 (*Notices*) of the determination of a Successor Inflation Index and the date from which such index becomes the Successor Inflation Index. 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 cessation of publication and determination of Successor Inflation Index shall not affect the validity of the occurrence and effect of such cessation of publication and determination of Successor Inflation Index.

(c) Rebasing of the Inflation Index

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for the purposes of determining the Level of the Inflation Index from the date of such rebasing; provided that the Calculation Agent shall make adjustments as are made by the relevant calculation agent pursuant to the terms and conditions of the Related Bond, if "Related Bond" is specified as applicable in the relevant Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If "Related Bond" is not specified as applicable in the relevant Final Terms, or if there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Securities.

(d) Material Modification Prior to Last Occurring Cut-Off

If, on or prior to the last occurring Adjustment Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index, then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, to the Terms and Conditions consistent with adjustments made to the Related Bond, or, if "Related Bond" is specified as not applicable for such Inflation Index in the relevant Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(e) Correction of Manifest Error in Publication

If Correction of Level is specified as applicable in the relevant Final Terms and the level of an Inflation Index published for a Value Determination Date is subsequently

corrected and the correction (the "**Corrected Inflation Index Level**") is published by the Inflation Index Sponsor prior to the Correction Cut-Off Date, then such Corrected Inflation Index Level shall be deemed to be the relevant level for such Inflation Index for such Value Determination Date and the Calculation Agent shall use such Corrected Inflation Index Level in determining any relevant amount payable under the Securities.

(f) Adjustment or Early Redemption

If, following the occurrence of the event described in Inflation Index Linked Term 1(b) (*Cessation of Publication*) above, the Calculation Agent determines that there is no appropriate alternative inflation index, the Issuer may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to make such adjustments to the Terms and Conditions as it considers appropriate to account for such event and determine the date(s) on which any such adjustments will be effective; or

(ii) determine that no adjustment that it could make under (i) above will produce a commercially reasonable result, and 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.

(g) Notice

If Inflation Index Linked Term 1(f) (*Adjustment or Early Redemption*) above applies, the Calculation Agent 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 lack of appropriate alternative inflation index shall not affect the validity of such determination.

2. 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.

3. 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.

"**Adjustment Cut-Off Date**" means, in respect of a Value Determination Date, the date that is five Business Days prior to the relevant Inflation Index Relevant Payment Date, or such other date specified in the relevant Final Terms.

"**Affected Value Determination Date**" means each Value Determination Date in respect of which an Inflation Index is subject to a Delayed Inflation Index Level Event.

"**Base Level**" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

"**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 level of the Inflation Index.

"**Delayed Inflation Index Level Event**" means, in respect of any Value Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the "**Relevant Level**") in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Value Determination Date, at any time on or prior to the Adjustment Cut-Off Date.

"**Fallback Bond**" means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the same day as the Maturity Date as specified in the relevant Final Terms, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent of the initial issue of the relevant Series of Securities will select the Fallback Bond from those inflation-linked bonds issued on or before the Trade Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"**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.

"**Inflation Index**" means the inflation index (or, if more than one, each inflation index) specified in the relevant Final Terms or any Successor Inflation Index determined pursuant to Inflation Index Linked Term 1(b) (*Cessation of Publication*).

"**Inflation Index Relevant Payment Date**" means each date specified as such in the relevant Final Terms or if none is so specified, each Interest Payment Date (if any) and/or the Maturity Date, as the case may be.

"**Inflation Index Sponsor**" means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index or any successor index sponsor.

"**Latest Level**" means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

"**Level**" means the level for an Inflation Index.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**Reference Level**" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

"**Reference Month**" means the calendar month for which the Level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported.

"**Related Bond**" means, in respect of an Inflation Index, the bond (if any) specified as such in the relevant Final Terms. If the Related Bond specified in the relevant Final Terms is "Fallback Bond", then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the relevant Final Terms as the Related Bond and "Fallback Bond" is specified as not applicable in the relevant Final Terms, there will be no Related Bond. If a bond is selected as the Related Bond in the relevant Final Terms and that bond redeems or matures before the Maturity Date, unless "Fallback Bond" is specified as not applicable in the relevant Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

"**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, 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 Level**" has the meaning given to it in the definition of "Delayed Inflation Index Level Event".

"**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.

"**Substitute Reference Level**" means the substitute reference level determined pursuant to Inflation Index Linked Term 1(a) (*Delay in Publication*).

"**Successor Inflation Index**" means the successor inflation index determined pursuant to Inflation Index Linked Term 1(b) (*Cessation of Publication*).

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

"**Value Determination Date**" means, in respect of each Inflation Index, an Averaging $\text{Date}_{(t)}$ (as defined in the Payout Terms), a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date.

CERTIFICATE LINKED TERMS

1. Consequences of Disrupted Days

If the Calculation Agent determines that any Value Determination Date (other than an Averaging Date) is a Disrupted Day, such Value Determination Date shall be adjusted in accordance with the following provisions:

(a) Where "**Single Certificate**" is specified in the relevant Final Terms, such Value Determination Date shall be the first succeeding Exchange Business Day that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Exchange Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day. In that case:

(i) the last consecutive Exchange Business Day shall be deemed to be such Value Determination Date, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the value of the Certificate on that last consecutive Exchange Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Certificate Price in respect of such Value Determination Date.

(b) Where "**Basket of Certificates**" is specified in the relevant Final Terms, the Value Determination Date for each Certificate not affected by the occurrence of a Disrupted Day shall be the Scheduled Value Determination Date, and the Value Determination Date for each Certificate affected by the occurrence of a Disrupted Day (each, an "**Affected Certificate**") shall be the first succeeding Exchange Business Day that is not a Disrupted Day relating to the Affected Certificate, unless the Calculation Agent determines that each of the consecutive Exchange Business Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Value Determination Date is a Disrupted Day relating to the Affected Certificate. In that case:

(i) the last consecutive Exchange Business Day shall be deemed to be such Value Determination Date for the Affected Certificate, notwithstanding the fact that such day is a Disrupted Day; and

(ii) the Calculation Agent shall determine the value of the Affected Certificate on that last consecutive Exchange Business Day, taking into account all information that it deems relevant, and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Certificate 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 a Potential Adjustment Event

If Potential Adjustment Event is specified as applicable in the relevant Final Terms and a Potential Adjustment Event occurs, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect or other effect on the theoretical value of the Certificates, 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 or concentrative effect, and (b) determine the effective date of that adjustment.

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 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. Corrections to published prices

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

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.

"**Averaging Date**" means each date (if any) specified as such, and each date (if any) specified as an Averaging $\text{Date}_{(t)}$, in the relevant Final Terms unless the Calculation Agent determines any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(a) if "**Omission**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then such date will be deemed not to be an Averaging Date for purposes of determining the Certificate Price provided that, if through the operation of this provision there would not be an Averaging Date, then Certificate Linked Term 1 (*Consequences of Disrupted Days*) shall apply for the purposes of determining the Certificate Price on the final Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day; or

(b) if "**Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date, then Certificate Linked Term 1 (*Consequences of Disrupted Days*) shall apply for purposes of determining the Certificate Price on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) if "**Modified Postponement**" is specified in the relevant Final Terms as applicable in respect of such Averaging Date:

(i) where "**Single Certificate**" is specified in the relevant Final Terms, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Exchange Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether such Exchange Business Day is already an Averaging Date or is a Disrupted Day) and (B) the Calculation Agent shall determine the value of the Certificate on that last consecutive Exchange Business 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 Certificate Price in respect of such Averaging Date; and

(ii) where "**Basket of Certificates**" is specified in the relevant Final Terms, the Averaging Date for each Certificate not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Certificate affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Certificate. If the first succeeding Valid Date in relation to such Certificate has not occurred as of the Valuation Time on the last consecutive Exchange Business Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last consecutive Exchange Business Day shall be deemed to be the Averaging Date (irrespective of whether such Exchange Business Day is already an Averaging Date or is a Disrupted Day) for such Certificate and (B) the Calculation Agent shall determine the value of the Certificate on that last consecutive Exchange Business 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 relevant Certificate Price in respect of such Averaging Date.

"**Certificate**" means the certificate (or, if more than one, each certificate) specified in the relevant Final Terms.

"**Certificate Price**" means, in respect of a Certificate and any relevant day, the value or price (as specified in the relevant Final Terms) of such Certificate on the relevant day as determined by the Calculation Agent by reference to the value(s) or price(s) published or announced by the Information Source on such day or if no Information Source is specified in the relevant Final Terms, such sources as may be deemed appropriate by the Calculation Agent.

"**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 value or price of the Certificate.

"**Disrupted Day**" means any Exchange Business Day on which (a) the relevant Exchange fails to open for trading during its regular trading session, or (b) a Market Disruption Event has

occurred, or (c) the Information Source fails to publish or announce the value(s) or price(s) of the Certificate.

"**Exchange**" means each securities exchange or trading market specified as such in the relevant Final Terms (including any successor to that securities exchange or trading market) for so long as the Certificate is listed or otherwise included in that securities exchange or trading market. If the specified Exchange ceases to list or otherwise include the Certificate and the Certificate is listed or otherwise included in any other securities exchange or trading market, the Calculation Agent will determine acting in good faith whether the alternative securities exchange or trading market will be deemed a replacement Exchange.

"**Exchange Business Day**" means (a) any day that is (or but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange (or on each Exchange if more than one is specified) other than a day on which trading on that Exchange is scheduled to close prior to its regular weekday closing time, or (b) if an Information Source is specified in the relevant Final Terms, any day on which the Information Source is scheduled to publish or announce the value(s) or price(s) of the Certificate.

"**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 relevant 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 relevant 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, vendor, page, publication or such other origin of reference specified in the relevant Final Terms.

"**Market Disruption Event**" means the suspension of or limitation imposed on trading either (a) on any relevant Exchange or (b) on any exchange on which any futures, forward or options contracts with respect to the Certificate are listed and/or traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

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

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**Potential Adjustment Event**" means any event that may have a diluting or concentrative effect or other effect on the theoretical value of the Certificate including, without limitation, any amendment or adjustment to the terms of the Certificates.

"**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 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.

"**Valid Date**" means an Exchange Business Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

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

"**Value Determination Date**" means an Averaging Date, a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not an Exchange Business Day, the next following Exchange Business Day.

REFERENCE RATE 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 rate for such Value Determination Date would, in the ordinary course, be published or displayed on the Screen Page), the Reference Rate for such Value Determination Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback that provides a Reference Rate.

Upon the occurrence of a Market Disruption Event, the Calculation Agent 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 and displayed rates

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

"**2000 Definitions**" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**2006 Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**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 Reference Rate (or method for determining the Reference Rate), taking into consideration the latest available quotation for the Reference Rate and any other information that it, in good faith, deems relevant.

"**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 Reference Rate.

"**Designated Maturity**" means, in respect of a Reference Rate, the period of time specified as such in the relevant Final Terms.

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Reference Rate 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 "Fallback Reference Rate" is specified as applicable in the relevant Final Terms, Fallback Reference Rate;

(b) if "Fallback Reference Banks" is specified as applicable in the relevant Final Terms, Fallback Reference Banks; and

(c) if "Calculation Agent Determination" is specified as applicable in the relevant Final Terms, Calculation Agent Determination.

"**Fallback Reference Banks**" means, in respect of a Fixing Day, that the rate for such Fixing Day will be determined on the basis of the rates at which deposits in the Relevant Currency are offered by the Reference Banks at the Valuation Time on the day that is the Number of Business Days preceding (or, if the Number of Business Days is zero, on) that Fixing Day to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Fixing Day and in a Representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that Fixing Day will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If fewer than three quotations are provided as requested, the rate for that Fixing Day shall be determined in accordance with the next applicable Disruption Fallback.

"**Fallback Reference Rate**" means, in respect of any relevant day, the rate equal to, in any case as determined by the Calculation Agent, the reference rate specified as such in the relevant Final Terms with reference to the Screen Page for such reference rate.

"**Fixing Day**" means any day on which the Reference Rate is calculated and published by the Fixing Sponsor.

"**Fixing Sponsor**" means the sponsor of the Reference Rate, as 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 relevant 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 relevant 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.

"**ISDA Definitions**" means the 2000 Definitions or the 2006 Definitions, as specified in the relevant Final Terms.

"**ISDA Rate**" means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as defined in the ISDA Definitions) under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the relevant Final Terms;

(b) the Designated Maturity is a period so specified in the relevant Final Terms; and

(c) the relevant Reset Date is the day so specified in the relevant Final Terms,

provided that if the Calculation Agent determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate shall be such rate as is determined by the Calculation Agent acting in good faith and in a commercially reasonable manner having regard to the comparable benchmarks then available. For the purposes of this definition, "**Floating Rate**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" shall have the meanings given to those terms in the ISDA Definitions.

"**Market Disruption Event**" means, in respect of any relevant day, that the Reference Rate is not available on the relevant Screen Page on such day.

"**Number of Business Days**" means the number of Business Days specified as such in the relevant Final Terms, or if no number of Business Days is specified in the relevant Final Terms, zero.

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**Reference Banks**" means the five banks specified in the relevant Final Terms or, if banks are not so specified, five major banks in the London interbank market which ordinarily provide quotes for the Reference Rate, as selected by the Calculation Agent.

"**Reference Rate**" means, in respect of any relevant day, a per annum rate equal to (a) the reference rate specified as such in the relevant Final Terms with reference to the Screen Page for such reference rate, as determined by the Calculation Agent, or (b) the relevant ISDA Rate specified in the relevant Final Terms.

"**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, 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 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.

"**Representative Amount**" means, in respect of a Reference Rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the Valuation Time.

"**Screen Page**" means, in respect of a Reference Rate, the screen page for such Reference Rate 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.

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

"**Valid Date**" means a Fixing Day not affected by the occurrence of a Market Disruption Event and on which another Averaging Date does not or is not deemed to occur.

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

"**Value Determination Date**" means an Averaging $\text{Date}_{(t)}$ (as defined in the Payout Terms), a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date, or if any such day is not a Fixing Day, the next following Fixing Day.

HYBRID LINKED TERMS

1. Consequences of non-Scheduled Trading Days – Value Determination Dates

If the Calculation Agent determines that a Scheduled Value Determination Date is not a Scheduled Trading Day for any of the Hybrid Reference Assets, then:

(a) Where the relevant Final Terms specifies "**Common Adjustment**" is applicable in relation to such day, the relevant Value Determination Date shall be the first succeeding day immediately following such Scheduled Value Determination Date which is a Common Scheduled Trading Day, unless the Calculation Agent determines that such day is a Disrupted Day for any of the Hybrid Reference Assets, in which case Hybrid Linked Term 3 (*Consequences of Disrupted Days – Value Determination Dates*) below shall apply.

(b) Where the relevant Final Terms specifies "**Individual Adjustment**" is applicable in relation to such day:

(i) the Value Determination Date for each Hybrid Reference Asset for which such Scheduled Value Determination Date is a Scheduled Trading Day shall be such Scheduled Value Determination Date, unless the Calculation Agent determines that such day is a Disrupted Day for such Hybrid Reference Asset, in which case Hybrid Linked Term 3 (*Consequences of Disrupted Days – Value Determination Dates*) below shall apply; and

(ii) the Value Determination Date for each Hybrid Reference Asset for which such Scheduled Value Determination Date is not a Scheduled Trading Day shall be the first succeeding day immediately following such Scheduled Value Determination Date which is a Scheduled Trading Day for such Hybrid Reference Asset, unless the Calculation Agent determines that such day is a Disrupted Day for such Hybrid Reference Asset, in which case Hybrid Linked Term 3 (*Consequences of Disrupted Days – Value Determination Dates*) below shall apply.

2. Consequences of non-Scheduled Trading Days – Averaging Dates

If the Calculation Agent determines that a Scheduled Averaging Date is not a Scheduled Trading Day for any of the Hybrid Reference Assets, then:

(a) Where the relevant Final Terms specifies "**Common Adjustment**" is applicable, then the Averaging Date shall be the first succeeding day immediately following such Scheduled Averaging Date which is a Common Scheduled Trading Day, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date, unless the Calculation Agent determines that such day is a Disrupted Day for any of the Hybrid Reference Assets, in which case Hybrid Linked Term 4 (*Consequences of Disrupted Days – Averaging Dates*) below shall apply.

(b) Where the relevant Final Terms specifies "**Individual Adjustment**" is applicable, then:

(i) the Averaging Date for each of the Hybrid Reference Assets for which such Scheduled Averaging Date is a Scheduled Trading Day shall be such Scheduled Averaging Date, unless the Calculation Agent determines that such day is a Disrupted Day for such Hybrid Reference Asset, in which case Hybrid Linked Term 4 (*Consequences of Disrupted Days – Averaging Dates*) below shall apply; and

(ii) the Averaging Date for each of the Hybrid Reference Assets for which such Scheduled Averaging Date is not a Scheduled Trading Day shall be the first succeeding day immediately following such Scheduled Averaging Date which is a Scheduled Trading Day for such Hybrid Reference Asset, irrespective of whether, pursuant to such determination, that deferred Averaging Date would

fall on a day that already is, or deemed to be, an Averaging Date, unless the Calculation Agent determines that such day is a Disrupted Day for such Hybrid Reference Asset, in which case Hybrid Linked Term 4 (*Consequences of Disrupted Days – Averaging Dates*) below shall apply.

3. Consequences of Disrupted Days – Value Determination Dates

If the Calculation Agent determines that any Scheduled Value Determination Date for a Hybrid Reference Asset (following adjustment (if applicable) in accordance with Hybrid Linked Term 1 (*Consequences of non-Scheduled Trading Days – Value Determination Dates*) above on account of such date not being a Scheduled Trading Day) is a Disrupted Day for such Hybrid Reference Asset, such Scheduled Value Determination Date shall be subject to the following adjustments:

(a) Common Valuation

Where the relevant Final Terms specifies that "**Common Valuation**" applies to any two or more Hybrid Reference Assets, the Value Determination Date shall be the first succeeding Common Scheduled Trading Day immediately following such Scheduled Value Determination Date which the Calculation Agent determines is not a Disrupted Day for all of the Hybrid Reference Assets, unless the Calculation Agent determines that each of the consecutive Common Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Value Determination Date is not a Common Scheduled Trading Day or is a Disrupted Day for one or more Hybrid Reference Assets. In that case:

(i) the last consecutive Common Scheduled Trading Day immediately following such Scheduled Value Determination Date shall be deemed to be the Value Determination Date for each of the Hybrid Reference Assets, notwithstanding the fact that such day is a Disrupted Day for one or more Hybrid Reference Assets (such Hybrid Reference Assets being the "**Affected Reference Assets**" for such Value Determination Date, and each such Hybrid Reference Asset being an "**Affected Reference Asset**" for such Value Determination Date); and

(ii) the Calculation Agent shall determine the Reference Value as follows:

(A) for each Hybrid Reference Asset other than an Affected Reference Asset (such Hybrid Reference Assets being the "**Unaffected Reference Assets**" for such Value Determination Date, and each such Hybrid Reference Asset being an "**Unaffected Reference Asset**" for such Value Determination Date), the Reference Value in respect of such Unaffected Reference Asset for such Value Determination Date shall be determined by reference to the relevant screen pages, price sources or information sources by the Calculation Agent at the relevant Valuation Time (if applicable) on that last consecutive Common Scheduled Trading Day; and

(B) for each Affected Reference Asset which is:

(I) a Commodity, the Relevant Price for such Commodity will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as defined in Commodity and Commodity Futures Contract Linked Term 5 (Definitions)) that provides a Relevant Price, provided that "Delayed Publication or Announcement and Postponement" and/or "Postponement" shall be deemed to be not applicable notwithstanding the fact that one or both may be specified as applicable in the relevant Final Terms, and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(I) shall be deemed to be the Reference Value at the relevant time of such Commodity in respect of such Value Determination Date.

(II) a Currency Exchange Rate, the Calculation Agent shall determine its good faith estimate of the value of such Currency Exchange Rate (or a method for determining the value of such Currency Exchange Rate) as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(II) shall be deemed to be the Reference Value at the relevant Valuation Time of such Currency Exchange Rate in respect of such Value Determination Date;

(III) an Equity, the Calculation Agent shall determine its good faith estimate of the value of such Equity as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(III) shall be deemed to be the Reference Value at the relevant Valuation Time of such Equity in respect of such Value Determination Date;

(IV) an Index, the Calculation Agent shall determine its good faith estimate of the level of such Index in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the exchange traded or quoted price or (at the discretion of the Calculation Agent) its good faith value as of the Valuation Time on that last Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) of each component comprised in the Index and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(IV) shall be deemed to be the Reference Value at the relevant Valuation Time of such Index in respect of such Value Determination Date;

(V) an Index Futures Contract, the Calculation Agent shall determine its good faith estimate of the value of such Index Futures Contract (or a method for determining the value of such Index Futures Contract) on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(V) shall be deemed to be the Reference Value at the relevant time of such Index Futures Contract in respect of such Value Determination Date;

(VI) a Fund that is an ETF, the Calculation Agent shall determine its good faith estimate of the value of such Fund as of the relevant Valuation Time on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(VI) shall be deemed to be the Reference Value at the relevant Valuation Time of such Fund in respect of such Value Determination Date;

(VII) a Government Bond Futures Contract, the Calculation Agent shall determine its good faith estimate of the value of such Government Bond Futures Contract (or a method for determining the value of such Government Bond Futures Contract) as of the relevant time on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for

such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(VII) shall be deemed to be the Reference Value at the relevant time of such Government Bond Futures Contract in respect of such Value Determination Date;

(VIII) an Inflation Index, the Calculation Agent shall determine its good faith estimate of the level of such Inflation Index in accordance with the formula for and method of, calculating such Inflation Index last in effect prior to the occurrence of the first Disrupted Day, using the formula in the Inflation Index Linked Terms (at the discretion of the Calculation Agent) its good faith value as of the Valuation Time on that last Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(VIII) shall be deemed to be the Reference Value at the relevant Valuation Time of such Inflation Index in respect of such Value Determination Date;

(IX) a Certificate, the Calculation Agent shall determine its good faith estimate of the value of such Certificate (or a method for determining the value of such Certificate) on that last consecutive Common Scheduled Trading Day (notwithstanding the fact that such day is a Disrupted Day for such Affected Reference Asset) and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(IX) shall be deemed to be the Reference Value at the relevant time of such Certificate in respect of such Value Determination Date; or

(X) a Reference Rate, the Reference Rate will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as defined in Reference Rate Linked Term 4 (Definitions)) that provides a Reference Rate, and such determination by the Calculation Agent pursuant to this sub-paragraph (B)(X) shall be deemed to be the Reference Value at the relevant time of such Commodity in respect of such Value Determination Date.

(b) Individual Valuation

Where the relevant Final Terms specifies that "**Individual Valuation**" applies to any two or more Hybrid Reference Assets, if any Scheduled Value Determination Date for a Hybrid Reference Asset is a Disrupted Day for such Hybrid Reference Asset:

(i) the Value Determination Date for each Hybrid Reference Asset not affected by the occurrence of a Disrupted Day shall be such Scheduled Value Determination Date; and

(ii) the Value Determination Date for each Hybrid Reference Asset affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day immediately following such Scheduled Value Determination Date which the Calculation Agent determines is not a Disrupted Day for such Hybrid Reference Asset, 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 for such Hybrid Reference Asset. In that case:

(A) the last consecutive Scheduled Trading Day immediately following such Scheduled Value Determination Date shall be deemed to be the Value Determination Date for such Hybrid Reference Asset, notwithstanding

the fact that such day is a Disrupted Day for such Hybrid Reference Asset (such Reference Asset being the "**Affected Reference Asset**" for such Value Determination Date); and

(B) the Calculation Agent shall determine the Reference Value in accordance with the criteria set out in Hybrid Linked Term 3(a)(ii)(B) above, and such determination by the Calculation Agent pursuant to Hybrid Linked Term 3(a)(ii)(B) above shall be deemed to be the relevant Reference Value in respect of the Value Determination Date.

4. Consequences of Disrupted Days – Averaging Dates

If any Scheduled Averaging Date for a Hybrid Reference Asset (following adjustment (if applicable) in accordance with Hybrid Linked Term 2 (*Consequences of non-Scheduled Trading Days – Averaging Dates*) above on account of such date not being a Scheduled Trading Day is a Disrupted Day for such Hybrid Reference Asset, such Scheduled Averaging Date shall be subject to the following adjustments:

(a) Omission

Where the relevant Final Terms specifies that "**Omission**" is applicable in respect of two or more Hybrid Reference Assets, then such Scheduled Averaging Date will be deemed not to be an Averaging Date for each of the Hybrid Reference Assets; provided that, if through the operation of this provision there would be no Averaging Dates, then the sole Averaging Date for such Hybrid Reference Assets shall be determined by reference to the final Scheduled Averaging Date as follows:

(i) for each of the Hybrid Reference Assets for which the Calculation Agent determines that such final Scheduled Averaging Date is a Scheduled Trading Day that is not a Disrupted Day, the Averaging Date for such Hybrid Reference Asset shall be such final Scheduled Averaging Date; and

(ii) for each of the Hybrid Reference Assets for which the Calculation Agent determines that such final Scheduled Averaging Date is not a Scheduled Trading Day or is a Disrupted Day, then the Averaging Date for such Hybrid Reference Asset shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Date that the Calculation Agent determines is not a Disrupted Day in respect of such Hybrid Reference Asset, unless the Calculation Agent determines that each of the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Date is a Disrupted Day for such Hybrid Reference Asset. In that case, that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date for such Hybrid Reference Asset, notwithstanding the fact that such day is a Disrupted Day for such Hybrid Reference Asset (such Hybrid Reference Assets being the "**Affected Reference Assets**" for such Averaging Date, and each such Hybrid Reference Asset being an "**Affected Reference Asset**" for such Averaging Date), and the Calculation Agent shall determine the relevant Reference Value of such Affected Reference Asset for such Averaging Date in accordance with Hybrid Linked Term 3(a)(ii)(B) above;

(b) Postponement – Common Valuation

Where the relevant Final Terms specifies that "**Postponement – Common Valuation**" is applicable in respect of two or more Hybrid Reference Assets, then Hybrid Linked Term 3(a) shall apply for purposes of determining the relevant Reference Value of the Hybrid Reference Asset on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(c) Postponement – Individual Valuation

Where the relevant Final Terms specifies that "**Postponement – Individual Valuation**" is applicable in respect of two or more Hybrid Reference Assets, then Hybrid Linked Term 3(b) shall apply for purposes of determining the relevant Reference Value of the Hybrid Reference Asset on that Averaging Date as if such Averaging Date were a Value Determination Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is, or is deemed to be, an Averaging Date; or

(d) Modified Postponement – Common Valuation

Where the relevant Final Terms specifies that "**Modified Postponement – Common Valuation**" is applicable in respect of two or more Hybrid Reference Assets, the Averaging Date for each of the Hybrid Reference Assets shall be the first succeeding Valid Date (Common). If the first succeeding Valid Date (Common) has not occurred on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Date that, but for the occurrence of another Averaging Date or a Disrupted Day for any of the Hybrid Reference Assets, would have been the relevant Averaging Date, then (A) that last consecutive Common Scheduled Trading Day shall be deemed to be the Averaging Date for each of the Hybrid Reference Assets, notwithstanding the fact that such day already is, or is deemed to be, an Averaging Date or is a Disrupted Day for one or more Hybrid Reference Assets (such Hybrid Reference Assets being the "**Affected Reference Assets**" for such Averaging Date, and each such Hybrid Reference Asset being an "**Affected Reference Asset**" for such Averaging Date) and (B) the Calculation Agent shall determine the relevant Reference Value of each Affected Reference Asset for such Averaging Date in accordance with Hybrid Linked Term 3(a)(ii)(B); or

(e) Modified Postponement – Individual Valuation

Where the relevant Final Terms specifies that "**Modified Postponement – Individual Valuation**" is applicable in respect of two or more Hybrid Reference Assets, the Averaging Date for each Hybrid Reference Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date and the Averaging Date for a Hybrid Reference Asset affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (Individual) in relation to such Hybrid Reference Asset. If the first succeeding Valid Date (Individual) in relation to such Hybrid Reference Asset has not occurred on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day for that Hybrid Reference Asset, would have been the final Averaging Date, then (A) that last Scheduled Trading Day shall be deemed to be the Averaging Date, notwithstanding the fact that such day already is, or is deemed to be, an Averaging Date or is a Disrupted Day for such Hybrid Reference Asset (such Hybrid Reference Asset being an "**Affected Reference Asset**" for such Averaging Date) and (B) the Calculation Agent shall determine the relevant Reference Value of such Affected Reference Asset for such Averaging Date in accordance with Hybrid Linked Term 3(a)(ii)(B),

provided that (a) through (e) above shall not apply to a Hybrid Reference Asset that is a Commodity (including any Futures Contracts), a Commodity Index (unless the Adjustment provisions in relation to Averaging Dates are specified to be applicable to the Commodity Index in the relevant Final Terms), a Fund, an Inflation Index or a Reference Rate. For the avoidance of doubt, if a Hybrid Reference Asset is a Commodity (including any Futures Contracts), a Commodity Index (if applicable), a Fund, an Inflation Index or a Reference Rate then the Scheduled Averaging Date, in respect of such Commodity (including any Futures Contracts), Commodity Index (if applicable), Fund, Inflation Index or Reference Rate, shall be an Averaging Date for the purposes of this Hybrid Linked Term 4 (*Consequences of Disrupted Days – Averaging Dates*), and if such Scheduled Averaging Date is not a Scheduled Trading Day or is a Disrupted Day for one or more of such Hybrid Reference Assets, the value, price

or level of each such Hybrid Reference Asset in respect of such Scheduled Averaging Date shall be determined by applying the provisions of the applicable Asset Terms of such Hybrid Reference Asset (provided that, notwithstanding anything else in these Terms and Conditions, Maximum Days of Disruption shall be as specified in Hybrid Linked Term 9 (*Definitions*)).

5. Adjustment

Notwithstanding any provision of these Hybrid Linked Terms, if the Calculation Agent determines that the occurrence of any Market Disruption Event in respect of any Hybrid Reference Asset causing a Disrupted Day on any relevant date has a material effect on the Securities, the issuer may, acting in good faith, take the action described in (a), (b) or (c) below:

(a) require the Calculation Agent to make such adjustments to any amount payable in respect of the Securities and/or any other relevant terms of the Securities as it deems appropriate, acting in good faith, to account for such Market Disruption Event and determine the date(s) on which any such adjustments will be effective;

(b) require the Calculation Agent to (i) substitute any relevant Hybrid Reference Asset with a replacement asset which has (in the determination of the Calculation Agent acting in good faith) the same or substantially the same characteristics (which, depending on the Hybrid Reference Asset, includes, but is not limited to, the same or substantially the same constituents, genus, term, credit profile and risk-return profile) as such Hybrid Reference Asset, (ii) make such adjustments to any amount payable in respect of the Securities and/or any other relevant terms of the Securities as the Calculation Agent deems appropriate, acting in good faith, to account for such substitution and (iii) determine the date(s) on which such substitution and any such adjustments will be effective; or

(c) 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.

6. Notice

Upon the occurrence of a Market Disruption Event, the Calculation Agent 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 shall not affect the validity of the occurrence and effect of such Market Disruption Event.

7. Corrections of a Reference Value

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

8. 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, in respect of an Equity (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.

9. Definitions

"**Additional Disruption Event**" means, in respect of each Hybrid Reference Asset, each Additional Disruption Event as specified in the applicable Asset Terms of such Hybrid Reference Asset.

"**Averaging Date**" means, in respect of each Hybrid Reference Asset, each date or dates specified as such or as Averaging Date(s)$_{(t)}$ or otherwise determined as provided in the relevant Final Terms, subject to adjustment in accordance with these Hybrid Linked Terms.

"**Common Scheduled Trading Day**" means, in respect of a basket of Hybrid Reference Assets, each day that is a Scheduled Trading Day for all the Hybrid Reference Assets in the basket.

"**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 upon which any payment is scheduled to be made by the Issuer by reference to the price of the Hybrid Reference Asset.

"**Disrupted Day**" means, in respect of a Hybrid Reference Asset which is:

(a) a Commodity, a day on which a Market Disruption Event as defined in the Commodity and Commodity Futures Contract Linked Terms occurs;

(b) a Currency Exchange Rate, a Disrupted Day as defined in the Currency Linked Terms occurs;

(c) an Equity, a Disrupted Day as defined in the Equity Linked Terms;

(d) an Index, a Disrupted Day as defined in the Index Linked Terms;

(e) an Index Futures Contract, a Disrupted Day as defined in the Index Futures Contract Linked Terms;

(f) a Fund that is an ETF, a day on which a Fund Event, a Potential Fund Event or an 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 (each event and capitalised term in this paragraph (f) as defined in the Fund Linked Terms) occurs;

(g) a Government Bond Futures Contract, a Disrupted Day as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, a day on which a Delayed Inflation Index Level Event as defined in the Inflation Index Linked Terms occurs;

(i) a Certificate, a Disrupted Day as defined in the Certificate Linked Terms; and

(j) a Reference Rate, a day on which a Market Disruption Event as defined in the Reference Rate Linked Terms occurs.

"**Hybrid Reference Assets**" means the Reference Assets specified as such in the relevant Final Terms (each a "**Hybrid Reference Asset**") or, following any substitution therewith in

accordance with Hybrid Linked Term 5(b), any substitute or replacement reference asset(s), and related expressions shall be construed accordingly.

"**Market Disruption Event**" means, in respect of a Hybrid Reference Asset which is:

(a) a Commodity, a Market Disruption Event as defined in the Commodity and Commodity Futures Contract Linked Terms;

(b) a Currency Exchange Rate, a Market Disruption Event as defined in the Currency Linked Terms;

(c) an Equity, a Market Disruption Event as defined in the Equity Linked Terms;

(d) an Index, a Market Disruption Event as defined in the Index Linked Terms;

(e) an Index Futures Contract, a Market Disruption Event as defined in the Index Futures Contract Linked Terms;

(f) a Fund that is an ETF, a Fund Event, a Potential Fund Event or an 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 (each event and capitalised term in this paragraph (f) as defined in the Fund Linked Terms);

(g) a Government Bond Futures Contract, a Market Disruption Event as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, a Delayed Inflation Index Level Event as defined in the Inflation Index Linked Terms;

(i) a Certificate, a Market Disruption Event as defined in the Certificate Linked Terms; and

(j) a Reference Rate, a Market Disruption Event as defined in the Reference Rate Linked Terms.

"**Maximum Days of Disruption**" means, in respect of:

(a) any basket of Hybrid Reference Assets which does not include a Commodity (including any Futures Contracts) or a Commodity Index, eight Scheduled Trading Days; or

(b) any basket of Hybrid Reference Assets which includes a Commodity (including any Futures Contracts) or a Commodity Index, five Scheduled Trading Days,

or, in each case, such other number of Scheduled Trading Days specified in the relevant Final Terms

"**Observation Date**" means each Interest Observation $\text{Date}_{(t)}$, Autocall Redemption Observation $\text{Date}_{(t)}$ and Knock-In Observation $\text{Date}_{(t)}$ (each as defined in the Payout Terms).

"**Reference Value**" means, in respect of each Hybrid Reference Asset and any Value Determination Date, if such Hybrid Reference Asset is:

(a) a Commodity, the Relevant Price as defined in the Commodity and Commodity Futures Contract Linked Terms;

(b) a Currency Exchange Rate, the Currency Price as defined in the Currency Linked Terms;

(c) an Equity, the Equity Price as defined in the Equity Linked Terms;

(d) an Index, the Index Level as defined in the Index Linked Terms;

(e) an Index Futures Contract, the Official Settlement Price as defined in the Index Futures Contract Linked Terms;

(f) a Fund that is an ETF, the Fund Share Price as defined in the Fund Linked Terms;

(g) a Government Bond Futures Contract, the Official Settlement Price as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, the Reference Level as defined in the Inflation Index Linked Terms;

(i) a Certificate, the Certificate Price as defined in the Certificate Linked Terms; and

(j) a Reference Rate, the Reference Rate as defined in the Reference Rate Linked Terms,

in each case, in respect of such Value Determination Date, as determined by the Calculation Agent.

"**Scheduled Averaging Date**" means, in respect of a Hybrid Reference Asset and any Averaging Date, any original date that, but for such day not being a Scheduled Trading Day in respect of such Hybrid Reference Asset or for the occurrence of an event causing a Disrupted Day in respect of such Hybrid Reference Asset on such date, would have been such Averaging Date.

"**Scheduled Trading Day**" means, in respect of a Hybrid Reference Asset which is:

(a) a Commodity, a Commodity Business Day as defined in the Commodity and Commodity Futures Contract Linked Terms;

(b) a Currency Exchange Rate, a Currency Business Day as defined in the Currency Linked Terms;

(c) an Equity, a Scheduled Trading Day as defined in the Equity Linked Terms;

(d) an Index, a Scheduled Trading Day as defined in the Index Linked Terms;

(e) an Index Futures Contract, a Scheduled Trading Day as defined in the Index Futures Contract Linked Terms;

(f) a Fund that is an ETF, a Scheduled Trading Day as defined in the Fund Linked Terms;

(g) a Government Bond Futures Contract, an Exchange Business Day as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, a Business Day;

(i) a Certificate, an Exchange Business Day as defined in the Certificate Linked Terms; and

(j) a Reference Rate, a Fixing Day as defined in the Reference Rate Linked Terms.

"**Scheduled Value Determination Date**" means, in respect of a Hybrid Reference Asset and any Value Determination Date, any original date that, but for such day not being a Scheduled Trading Day in respect of such Hybrid Reference Asset or for the occurrence of an event causing a Disrupted Day in respect of such Hybrid Reference Asset on such date, would have been, a Value Determination Date.

"**Valid Date (Common)**" means, in respect of two or more Hybrid Reference Assets, a Common Scheduled Trading Day that is not a Disrupted Day for any of the Hybrid Reference Assets and on which another Averaging Date does not, or is not deemed to, occur.

"**Valid Date (Individual)**" means, in respect of a Hybrid Reference Asset, a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not, or is not deemed to, occur, in each case for that Hybrid Reference Asset.

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

"**Value Determination Date**" means a Valuation $\text{Date}_{(t)}$ (as defined in the Payout Terms) or an Observation Date.

PAYOUT TERMS

INTEREST PAYOUT TERMS

Introduction

Application. The terms and conditions set out below in this section "Interest Payout Terms" ("**Interest Payout Terms**") shall apply to all Securities irrespective of whether any interest is payable on the Securities.

Types. A Security may:

(a) bear interest calculated by reference to one or more fixed rates of interest (a "**Fixed Rate Security**");

(b) bear interest calculated by reference to one or more floating rates of interest (a "**Floating Rate Security**");

(c) bear interest calculated by reference to one or more Reference Assets (each, a "**Reference Asset Linked Interest Security**"), including:

- a single Commodity or Futures Contract on a commodity or a basket of Commodities and/or Futures Contracts on one or more commodities (a "**Commodity Linked Interest Security**");
- a single Currency Exchange Rate or a basket of Currency Exchange Rates (a "**Currency Linked Interest Security**");
- a single Equity or a basket of Equities (an "**Equity Linked Interest Security**");
- a single Index (including a Commodity Index) or a basket of Indices (including Commodity Indices) (an "**Index Linked Interest Security**");
- a single Index Futures Contract or a basket of Index Futures Contracts (an "**Index Futures Contract Linked Interest Security**");
- a single Fund or a basket of Funds (a "**Fund Linked Interest Security**");
- a single Government Bond Futures Contract or a basket of Government Bond Futures Contracts (a "**Government Bond Futures Contract Linked Interest Security**");
- a single Inflation Index or a basket of Inflation Indices (an "**Inflation Index Linked Interest Security**");
- a single Certificate or a basket of Certificates (a "**Certificate Linked Interest Security**")
- a single Reference Rate or a basket of Reference Rates (a "**Reference Rate Linked Interest Security**"); or
- a hybrid basket of two or more distinct Reference Assets (a "**Hybrid Linked Interest Security**");

(d) bear interest on an interest basis described in (a), (b) or (c) and then change during the term of the Securities to a different interest basis described in (a), (b) or (c) (a "**Change of Interest Basis Security**");

(e) be issued on a non-interest bearing basis and offered and sold at a discount to its nominal amount (a "**Zero Coupon Security**"); or

(f) be issued on a non-interest bearing basis and not be a Zero Coupon Security.

1. **Fixed Rate Securities**

(a) Application. This Interest Payout Term 1 applies to Fixed Rate Securities only.

(b) Accrual of interest and when payable. Each Fixed Rate Security bears interest on its outstanding nominal amount from, and including, the Fixed Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

(c) Interest Amount. In respect of an Interest Period and a relevant Interest Payment Date, the amount of interest payable in respect of each nominal amount of Fixed Rate Securities equal to the Calculation Amount for that Interest Period (the "**Interest Amount**") shall be:

(i) where a Fixed Coupon Amount or Broken Amount (in respect of a shorter or longer Interest Period) is specified in the relevant Final Terms as being payable on the Interest Payment Date, such Fixed Coupon Amount or Broken Amount (as applicable); otherwise

(ii) where no such Fixed Coupon Amount or Broken Amount is so specified, an amount equal to the product of (A) the Rate of Interest, (B) the Calculation Amount, and (C) the Day Count Fraction for such Interest Period.

In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

2. **Floating Rate Securities**

(a) Application. This Interest Payout Term 2 applies to Floating Rate Securities only.

(b) Accrual of interest and when payable. Each Floating Rate Security bears interest on its outstanding nominal amount from, and including, the Floating Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date in respect of the Interest Period ending on (but excluding) or immediately prior to, such Interest Payment Date.

(c) Interest Amount. In respect of an Interest Period and a relevant Interest Payment Date, the amount of interest payable in respect of each nominal amount of Floating Rate Securities equal to the Calculation Amount for that Interest Period (the "**Interest Amount**") shall be an amount equal to the *product* of (i) the Rate of Interest, (ii) the Calculation Amount, and (iii) the Day Count Fraction for such Interest Period. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(d) Rate of Interest: The Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate (expressed as a decimal) equal to the *product* of (i) the Relevant Rate in respect of a relevant Reset Date, subject as provided in Interest Payout Term 2(e) (*Spread*) below, and (ii) any Participation specified in the relevant Final Terms, subject to any Minimum and/or Maximum Rate of Interest as provided in Interest Payout Term 2(f) (*Minimum and/or Maximum Rate of Interest*).

(e) Spread. If any Spread is specified in the relevant Final Terms (either (i) generally or (ii) in relation to one or more Interest Periods), then an adjustment shall be made (x) in the case of (i), to all Rates of Interest, or (y) in the case of (ii), the Rate of Interest for the specified Interest Period(s) calculated in accordance with Interest Payout Term 2(d) (*Rate of Interest*) by adding or subtracting the absolute value of such Spread, as specified in the relevant Final Terms.

(f) Minimum and/or Maximum Rate of Interest: If the relevant Final Terms specify:

(i) a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Interest Payout Term 2(d) (*Rate of Interest*) (for the avoidance of doubt, after applying any Spread in accordance with Interest Payout Term 2(e) (*Spread*)) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest; or

(ii) a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Interest Payout Term 2(d) (*Rate of Interest*) (for the avoidance of doubt, after applying any Spread in accordance with Interest Payout Term 2(e) (*Spread*)) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(g) Business Day Convention: If any date in the Terms and Conditions is specified in the relevant Final Terms to be subject to adjustment in accordance with the Business Day Convention, and (i) if there is no numerically corresponding day in the calendar month in which such date should occur, or (ii) if such date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) the Floating Rate Convention, such date (I) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (y) below shall apply with only the necessary changes being made or (II) in the case of (ii) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day, and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen; or

(B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

3. **Reference Asset Linked Interest Securities**

(a) Application. This Interest Payout Term 3 applies to Reference Asset Linked Interest Securities.

(b) Accrual of interest and when payable. Each Reference Asset Linked Interest Security bears interest on its outstanding nominal amount from, and including, the Reference Asset Linked Interest Commencement Date, payable on each Interest Payment Date.

(c) Interest Amount. The amount of interest accrued and payable in respect of each nominal amount of Reference Asset Linked Interest Security equal to the Calculation Amount in respect of the Interest Period ending on or immediately prior to Interest Payment $\text{Date}_{(t)}$ (the "**Interest Amount**"), shall be determined in accordance with the following formula:

$$\text{Calculation Amount} \times \text{Interest Performance}_{(t)} \times \text{Day Count Fraction}$$

Where:

"**Calculation Amount**" means the nominal amount of the Securities specified as such in the relevant Final Terms.

"**Day Count Fraction**" has the meaning given in Interest Payout Term 8 (*Definitions*).

"**Interest Performance$_{(t)}$**" means the Interest Performance$_{(t)}$ in respect of the Interest Payment Date$_{(t)}$ determined in accordance with Interest Payout Term 4 (*Interest Option Mechanism*) and the Interest Option Mechanism specified in the relevant Final Terms.

4. **Interest Option Mechanism**

The Interest Performance$_{(t)}$ in respect of an Interest Payment Date$_{(t)}$ shall be determined in accordance with the Interest Option Mechanism, subject to paragraph (e) below. The applicable Interest Option Mechanism will be the option set out in paragraphs (a) to (d) below which is specified as applicable in the relevant Final Terms.

Subject to paragraph (e) below:

(a) **European Interest Option:**

If "European Interest Option" is specified as the applicable Interest Option Mechanism in the relevant Final Terms, Interest Performance$_{(t)}$ shall be equal to:

(i) if an Interest Barrier Event (M) occurs on Interest Observation Date$_{(t)}$, Interest Value$_{(t)}$ (M); or

(ii) if an Interest Barrier Event (M) does not occur on Interest Observation Date$_{(t)}$, Interest Value Null$_{(t)}$ (M),

in each case, subject to a floor of zero.

(b) **American Interest Option:**

If "American Interest Option" is specified as the applicable Interest Option Mechanism in the relevant Final Terms, Interest Performance$_{(t)}$ shall be equal to:

(i) If an Interest Barrier Event (M) occurs on an Interest Observation Date$_{(t)}$ falling within Interest Observation Period$_{(t)}$, Interest Value$_{(t)}$ (M); or

(ii) if an Interest Barrier Event (M) does not occur on any Interest Observation Date$_{(t)}$ falling within Interest Observation Period$_{(t)}$, Interest Value Null$_{(t)}$ (M),

in each case, subject to a floor of zero.

(c) **Reference Asset Performance Rate + Spread Interest Option:**

If "Reference Asset Performance Rate + Spread Interest Option" is specified as the applicable Interest Option Mechanism in the relevant Final Terms, Interest Performance$_{(t)}$ shall be equal to the *sum* of:

(i) the *product* of (A) Participation, and (B) Reference Asset Performance Rate$_{(t)}$; and

(ii) Spread$_{(t)}$.

(d) **Range Accrual Interest Option:**

If "Range Accrual Interest Option" is specified as the applicable Interest Option Mechanism in the relevant Final Terms, Interest Performance$_{(t)}$ shall be an amount determined in accordance with the following formula:

$$\text{Reference Asset Performance Rate}_{(t)} \times \text{IBED}_{(t)} / \text{DAYS}_{(t)}$$

(e) **Autocall Securities:**

In respect of Autocall Securities where "X", in relation to the applicable Autocall Redemption Trigger Event Mechanism, is greater than one, if an Autocall Redemption Trigger Event (M) occurs (or is deemed to have occurred), the Interest Performance$_{(t)}$ in respect of the Interest Payment Date$_{(t)}$ scheduled to fall on the Autocall Redemption Date shall be zero. Each capitalised term used in this paragraph not otherwise defined in these Interest Payout Terms shall have the meaning ascribed to it in the Autocall Redemption Payout Terms.

5. **Interest Barrier Event Mechanism**

The Interest Barrier Event (M) shall be determined in accordance with the Interest Barrier Event Mechanism. The applicable Interest Barrier Event Mechanism will be the option set out in paragraphs (a) to (c) below which is specified as applicable in the relevant Final Terms:

(a) **Greater than Barrier – Single:**

If "Greater than Barrier – Single" is specified as the applicable Interest Barrier Event Mechanism in the relevant Final Terms, an Interest Barrier Event (M) means (and an Interest Barrier Event (M) shall be deemed to have occurred if), in respect of an Interest Observation Date$_{(t)}$, the Interest Barrier Event Performance$_{(t)}$ is greater than or equal to the Interest Barrier Level$_{(t)}$ (M=1).

(b) **Less than Barrier – Single:**

If "Less than Barrier – Single" is specified as the applicable Interest Barrier Event Mechanism in the relevant Final Terms, an Interest Barrier Event (M) means (and an Interest Barrier Event (M) shall be deemed to have occurred if), in respect of an Interest Observation Date$_{(t)}$, the Interest Barrier Event Performance$_{(t)}$ is less than or equal to the Interest Barrier Level$_{(t)}$ (M=1).

(c) **Collar Barrier:**

If "Collar Barrier" is specified as the applicable Interest Barrier Event Mechanism in the relevant Final Terms, an Interest Barrier Event (M) means (and an Interest Barrier Event (M) shall be deemed to have occurred if), in respect of an Interest Observation Date$_{(t)}$, the Interest Barrier Event Performance$_{(t)}$ is greater than or equal to the Interest Barrier Level Lower$_{(t)}$ (M) and less than the Interest Barrier Level Upper$_{(t)}$ (M).

6. **Zero Coupon Securities**

Where a Zero Coupon Security is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Unscheduled Early Termination Amount.

7. **Change of Interest Basis**

If the relevant Final Terms specify "Change of Interest Basis" to be applicable (a) the Interest Amount payable in relation to each Change of Interest Basis Security in respect of each Interest Period ending on (but excluding), or immediately prior to, an Interest Basis A Payment Date shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis A, and the Interest Amount payable in respect of each Interest Period ending on (but excluding), or immediately prior to, an Interest Basis B Payment Date shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis B.

8. **Definitions**

"**2000 Definitions**" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**2006 Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**American Interest Option**" means the option described in Interest Payout Term 4(b) (*American Interest Option*).

"**Broken Amount**" means the amount specified as such in the relevant Final Terms.

"**Business Day Convention**" has the meaning given in Interest Payout Term 2(g) (*Business Day Convention*).

"**Collar Barrier**" means the option described in Interest Payout Term 5(c) (*Collar Barrier*).

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Security for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the "**Calculation Period**"):

(a) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366, and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(e) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(f) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) such number would be 31, in which case D_2 will be 30;

(g) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the *product* of (A) the number of days in such Determination Period, and (B) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the *sum* of:

(A) the number of days in such Calculation Period falling in the Determination Period in which it begins, *divided* by the *product* of (x) the number of days in such Determination Period, and (y) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period *divided* by the *product* of (x) the number of days in such Determination Period, and (y) the number of Determination Periods normally ending in any year.

(h) if "1" is specified in the relevant Final Terms, then 1.

"**$DAYS_{(t)}$**" means the number of Interest Observation $Dates_{(t)}$ in the relevant Interest Observation $Period_{(t)}$ (a) which are Scheduled Trading Days, and (b) which are not Disrupted Days.

"**Designated Maturity**" means the period of time specified as such in the relevant Final Terms.

"**Determination Date**" means each date specified as such in the relevant Final Terms or, if none is so specified, each Interest Payment Date.

"**Determination Period**" means the period from (and including) one Determination Date to (but excluding) the next Determination Date.

"**Disrupted Day**" means, in respect of a Reference Asset which is:

(a) a Commodity, a day on which a Market Disruption Event as defined in the Commodity and Commodity Futures Contract Linked Terms occurs;

(b) a Currency Exchange Rate, a Disrupted Day as defined in the Currency Linked Terms occurs;

(c) an Equity, a Disrupted Day as defined in the Equity Linked Terms;

(d) an Index, a Disrupted Day as defined in the Index Linked Terms;

(e) an Index Futures Contract, a Disrupted Day as defined in the Index Futures Contract Linked Terms;

(f) a Fund, a day on which a Fund Event, a Potential Fund Event or an 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 (each event and capitalised term in this paragraph (f) as defined in the Fund Linked Terms) occurs;

(g) a Government Bond Futures Contract, a Disrupted Day as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, a day on which a Delayed Inflation Index Level Event as defined in the Inflation Index Linked Terms occurs;

(i) a Certificate, a Disrupted Day as defined in the Certificate Linked Terms; and

(j) a Reference Rate, a day on which a Market Disruption Event as defined in the Reference Rate Linked Terms occurs.

"**European Interest Option**" means the option described in Interest Payout Term 4(a) (*European Interest Option*).

"**Euro-zone**" means the region comprised of Member States of the European Economic Area that adopt the euro in accordance with the EC Treaty.

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms.

"**Fixed Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Floating Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Floating Rate Convention**" has the meaning given in Interest Payout Term 2(g) (*Business Day Convention*).

"**Following Business Day Convention**" has the meaning given in Interest Payout Term 2(g) (*Business Day Convention*).

"**Greater than Barrier – Single**" has the meaning given in Interest Payout Term 5(a) (*Greater than Barrier – Single*).

"**i**" has the meaning given in the Reference Asset Performance Terms.

"**$IBED_{(t)}$**" means the number of Interest Observation $Dates_{(t)}$ in the relevant Interest Observation $Period_{(t)}$ (a) which are Scheduled Trading Days, and (b) which are not Disrupted Days, and (c) on which an Interest Barrier Event (M) has occurred.

"**Interest Amount**" means:

(a) in respect of an Interest Period and a relevant Interest Payment Date, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Securities, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date on (but excluding) which such Interest Period ends; and

(b) in respect of any other period and a relevant Interest Payment Date, the amount of interest payable per Calculation Amount for that period.

"**Interest Barrier Event (M)**" means, in respect of a relevant value of (M) and an Interest Observation $Date_{(t)}$, the event which is determined in accordance with Interest Payout Term 5 (*Interest Barrier Event Mechanism*) and the Interest Barrier Event Mechanism specified in the relevant Final Terms.

"**Interest Barrier Event Mechanism**" means the mechanism for determining an Interest Barrier Event (M) as set out in Interest Payout Term 5 (*Interest Barrier Event Mechanism*).

"**Interest Barrier Event $Performance_{(t)}$**" means, in respect of an Interest Observation $Date_{(t)}$, the Reference Asset $Performance_{(t)}$ in respect of such Interest Observation $Date_{(t)}$ determined in accordance with the Reference Asset Performance Terms and the Interest Barrier Event Performance Mechanism(s) specified in the relevant Final Terms.

"**Interest Barrier Event Performance Mechanism**" means the mechanism for determining the applicable Reference Asset Performance to constitute the Interest Barrier Event $Performance_{(t)}$ as selected in accordance with the Reference Asset Performance Terms.

"**Interest Barrier $Level_{(t)}$ (M=1)**" means the level specified as such in the relevant Final Terms in respect of the relevant value of (M=1), Interest Payment $Date_{(t)}$ and, as applicable, the Reference $Asset_{(i)}$.

"**Interest Barrier Level $Lower_{(t)}$ (M)**" means the level specified as such in the relevant Final Terms in respect of the relevant value of (M), Interest Payment $Date_{(t)}$ and, as applicable, the Reference $Asset_{(i)}$.

"**Interest Barrier Level $Upper_{(t)}$ (M)**" means the level specified as such in the relevant Final Terms in respect of the relevant value of (M), Interest Payment $Date_{(t)}$ and, as applicable, the Reference $Asset_{(i)}$.

"**Interest Basis**" has the meaning given in the relevant Final Terms.

"**Interest Basis A**" means, in respect of a Change of Interest Basis, the Interest Basis specified as such in the relevant Final Terms.

"**Interest Basis A Commencement Date**" means, in respect of a Change of Interest Basis and in respect of Interest Basis A, the date specified as such in the relevant Final Terms.

"**Interest Basis A Payment Date**" means each date specified as an Interest Payment Date in the relevant Final Terms in respect of Interest Basis A.

"**Interest Basis B**" means, in respect of a Change of Interest Basis, the Interest Basis specified as such in the relevant Final Terms.

"**Interest Basis B Commencement Date**" means, in respect of a Change of Interest Basis and in respect of Interest Basis B, the date specified as such in the relevant Final Terms.

"**Interest Basis B Payment Date**" means each date specified as an Interest Payment Date in the relevant Final Terms in respect of Interest Basis B.

"**Interest Basis Provisions**" means, in respect of a Change of Interest Basis, the provisions applicable in respect of each Interest Basis specified as applicable in the relevant Final Terms.

"**Interest Observation Date$_{(t)}$**" means, in respect of an Interest Payment Date$_{(t)}$, each date specified as such in the relevant Final Terms or each calendar day in an Interest Observation Period$_{(t)}$, as applicable.

"**Interest Observation Period$_{(t)}$**" means, in respect of Interest Payment Date$_{(t)}$, the period specified as such in the relevant Final Terms.

"**Interest Option Mechanism**" means the mechanism for determining the Interest Performance$_{(t)}$ as set out in Interest Payout Term 4 (*Interest Option Mechanism*).

"**Interest Payment Date**" means each date specified as such in the relevant Final Terms.

"**Interest Payment Date$_{(t)}$**" means each date specified as such in the relevant Final Terms.

"**Interest Performance Mechanism**" means the mechanism for determining the Reference Asset Performance Rate$_{(t)}$ from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**Interest Period**" means the period beginning on (and including) the Fixed Interest Commencement Date, the Floating Interest Commencement Date or the Reference Asset Linked Interest Commencement Date (as applicable) and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date, and ending on (but excluding) the next succeeding Interest Period Date, which may or may not be the same number of months or other period throughout the life of the Securities and, if the relevant Final Terms specifies that the Interest Period(s) or particular Interest Period(s) shall be (a) "Adjusted" or subject to adjustment in accordance with the Business Day Convention (or the relevant Interest Period Dates are specified to be subject to adjustment in accordance with the Business Day Convention), then the relevant Interest Period(s) shall be the period following adjustment to the relevant Interest Period Date(s) in accordance with the Business Day Convention, or (b) "Unadjusted" or the relevant Final Terms does not specify whether or not an adjustment is applicable, then the relevant Interest Period(s) and the relevant Interest Period Dates shall not be subject to adjustment in accordance with the Business Day Convention.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**Interest Value$_{(t)}$ (M)**" means the amount specified as such in the relevant Final Terms in respect of the relevant value of (M) and an Interest Payment Date$_{(t)}$.

"**Interest Value Null$_{(t)}$ (M)**" means the amount specified as such in the relevant Final Terms in respect of the relevant value of (M) and an Interest Payment Date$_{(t)}$.

"**ISDA Definitions**" means the 2000 Definitions or the 2006 Definitions, as specified in the relevant Final Terms.

"**ISDA Rate**" means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as defined in the ISDA Definitions) under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(c) the Floating Rate Option is as specified in the relevant Final Terms;

(d) the Designated Maturity is a period so specified in the relevant Final Terms; and

(e) the relevant Reset Date is the day so specified in the relevant Final Terms,

provided that if the Calculation Agent determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate shall be such rate as is determined by the Calculation Agent acting in good faith and in a commercially reasonable manner having regard to the comparable benchmarks then available. For the purposes of this definition, "**Floating Rate**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" shall have the meanings given to those terms in the ISDA Definitions.

"**Less than Barrier – Single**" has the meaning given in Interest Payout Term 5(b) (*Less than Barrier – Single*).

"**M**" means the integer number which corresponds to the relevant Interest Barrier Level$_{(t)}$ (M=1), Interest Barrier Level Upper$_{(t)}$ (M) or Interest Barrier Level Lower$_{(t)}$ (M), as the case may be, as specified in the relevant Final Terms. M will be an integer number from, and including, one to, and including, the integer number which corresponds to the number of different interest barrier levels. Where there is one interest barrier level in respect of an Interest Payment Date$_{(t)}$, M = 1, there will be one Interest Barrier Level$_{(t)}$ or one each of Interest Barrier Level Lower$_{(t)}$ and Interest Barrier Level Upper$_{(t)}$, as applicable, with M = 1 in respect of each Interest Payment Date$_{(t)}$ with corresponding Interest Value$_{(t)}$ and Interest Value Null$_{(t)}$ for M = 1, each set out in the relevant Final Terms if applicable). Where there are, say, two interest barrier levels in respect of an Interest Payment Date, M = 1 and M = 2, there will be two Interest Barrier Levels$_{(t)}$ or two pairs of Interest Barrier Level Lower$_{(t)}$ and Interest Barrier Level Upper$_{(t)}$, as applicable, with M = 1 in respect of one and M = 2 in respect of the other, each in respect of each Interest Payment Date$_{(t)}$ with corresponding Interest Values$_{(t)}$ and Interest Value Null$_{(t)}$ for M = 1 and M = 2, each set out in the relevant Final Terms if applicable).

"**Maximum Rate of Interest**" means the rate specified as such in the relevant Final Terms.

"**Minimum Rate of Interest**" means the rate specified as such in the relevant Final Terms.

"**Modified Following Business Day Convention**" has the meaning given in Interest Payout Term 2(g) (*Business Day Convention*).

"**Participation**" means the percentage specified as such in the relevant Final Terms, which reflects the exposure to the Reference Asset Performance Rate$_{(t)}$ or Relevant Rate, as applicable.

"**Preceding Business Day Convention**" has the meaning given in Interest Payout Term 2(g) (*Business Day Convention*).

"**Range Accrual Interest Option**" means the option described in Interest Payout Term 4(d) (*Range Accrual Interest Option*).

"**Rate of Interest**" means the rate of interest payable from time to time in respect of a Security and that is either specified in, or calculated in accordance with the provisions of, the relevant

Final Terms. The Rate of Interest will be a per annum rate unless otherwise specified in the relevant Final Terms.

"**Reference Asset Linked Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Reference Asset Performance$_{(t)}$**" has the meaning given in the Reference Asset Performance Terms.

"**Reference Asset Performance Options**" has the meaning given in the Reference Asset Performance Terms.

"**Reference Asset Performance Rate$_{(t)}$**" means the Reference Asset Performance$_{(t)}$ in respect of Interest Payment Date$_{(t)}$ determined in accordance with Reference Asset Performance Terms and the Interest Performance Mechanism(s) specified in the relevant Final Terms, and (a) if a Reference Asset Performance Rate Cap is specified in the relevant Final Terms, subject to a maximum level equal to such Reference Asset Performance Rate Cap, and (b) if a Reference Asset Performance Floor is specified in the relevant Final Terms, subject to a minimum level equal to such Reference Asset Performance Rate Floor.

"**Reference Asset Performance Rate + Spread Interest Option**" means the option described in Interest Payout Term 4(c) (*Reference Asset Performance Rate + Spread Interest Option*).

"**Relevant Rate**" means, in respect of any Reset Date, a per annum rate, determined with respect to such date, equal to (a) the reference rate specified as such in the relevant Final Terms with reference to the Screen Page for such reference rate, as determined by the Calculation Agent, or if no such rate is available, the rate determined by the Calculation Agent, or (b) the relevant ISDA Rate specified in the relevant Final Terms.

"**Reset Date**" means each day specified as such in the relevant Final Terms (or determined pursuant to a method specified for such purpose), subject to adjustment in accordance with any applicable Business Day Convention which, if a Business Day Convention is not specified in the relevant Final Terms as being applicable to Reset Dates, shall be the Business Day Convention applicable to Interest Payment Dates, unless an adjustment in accordance with that Business Day Convention would cause a Reset Date to fall on the Interest Payment Date in respect of the Interest Period to which that Reset Date relates, in which case that Reset Date shall be adjusted in accordance with the Preceding Business Day Convention.

"**Scheduled Trading Day**" means, in respect of each Reference Asset which is:

(a) a Commodity, a Commodity Business Day as defined in the Commodity and Commodity Futures Contract Linked Terms;

(b) a Currency Exchange Rate, a Currency Business Day as defined in the Currency Linked Terms;

(c) an Equity, a Scheduled Trading Day as defined in the Equity Linked Terms;

(d) an Index, a Scheduled Trading Day as defined in the Index Linked Terms;

(e) an Index Futures Contract, a Scheduled Trading Day as defined in the Index Futures Contract Linked Terms;

(f) a Fund, a Scheduled Trading Day as defined in the Fund Linked Terms;

(g) a Government Bond Futures Contract, an Exchange Business Day as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, a Business Day;

(i) a Certificate, an Exchange Business Day as defined in the Certificate Linked Terms; and

(j) a Reference Rate, a Fixing Day as defined in the Reference Rate Linked Terms.

"**Screen Page**" means, in respect of a Relevant Rate, the screen page for such Relevant Rate specified in the relevant Final Terms.

"**Spread**" means the percentage specified as such in the relevant Final Terms.

"**$\mathbf{Spread_{(t)}}$**" means the Spread specified in the relevant Final Terms in respect of Interest Payment $\text{Date}_{(t)}$.

"**t**" means, in connection with Interest Payment $\text{Date}_{(t)}$, the number which corresponds to the number of Interest Payment Dates from, and including, the first Interest Payment $\text{Date}_{(t=1)}$ to, and including, the relevant Interest Payment $\text{Date}_{(t)}$, subject to a maximum where the relevant Interest Payment $\text{Date}_{(t)}$ is the final Interest Payment $\text{Date}_{(t=n)}$ where "n" means the total number of Interest Payment Dates.

FINAL REDEMPTION PAYOUT TERMS

Introduction

Application. The terms and conditions set out below in this section "Final Redemption Payout Terms" ("**Final Redemption Payout Terms**") shall apply to all Securities.

Types. Unless the Securities have previously been redeemed, purchased or cancelled in accordance with the Terms and Conditions (and provided that, if the Autocall Redemption Payout Terms are applicable to such Securities, an Autocall Redemption Trigger Event (M) (as defined in the Autocall Redemption Payout Terms) has not occurred on or prior to Valuation $\text{Date}_{(t)}$ in respect of the Maturity Date), each Security shall be redeemed on the Maturity Date at the Final Redemption Amount (in respect of each nominal amount of the Securities equal to the Calculation Amount), which may be:

(a) equal to par;

(b) equal to a specified percentage of par; or

(c) calculated by reference to one or more Reference Assets (each, a "**Reference Asset Linked Redemption Security**"), including:

- a single Commodity or Futures Contract on a commodity or a basket of Commodities and/or Futures Contracts on one or more commodities (a "**Commodity Linked Redemption Security**");
- a single Currency Exchange Rate or a basket of Currency Exchange Rates (a "**Currency Linked Redemption Security**");
- a single Equity or a basket of Equities (an "**Equity Linked Redemption Security**");
- a single Index (including a Commodity Index) or a basket of Indices (including Commodity Indices) (an "**Index Linked Redemption Security**");
- a single Index Futures Contract or a basket of Index Futures Contracts (an "**Index Futures Contract Linked Redemption Security**");
- a single Fund or a basket of Funds (a "**Fund Linked Redemption Security**");
- a single Government Bond Futures Contract or a basket of Government Bond Futures Contracts (a "**Government Bond Futures Contract Linked Redemption Security**");
- a single Inflation Index or a basket of Inflation Indices (an "**Inflation Index Linked Redemption Security**");
- a single Certificate or a basket of Certificates (a "**Certificate Linked Redemption Security**")
- a single Reference Rate or a basket of Reference Rates (a "**Reference Rate Linked Redemption Security**"); and/or
- a hybrid basket of two or more distinct Reference Assets (a "**Hybrid Linked Redemption Security**").

1. Final Redemption Amount

Unless the Securities have previously been redeemed, purchased or cancelled in accordance with the Terms and Conditions (and provided that, if the Autocall Redemption Payout Terms are applicable to such Securities, an Autocall Redemption Trigger Event (M) (as defined in the Autocall Redemption Payout Terms) has not occurred on or prior to Valuation $\text{Date}_{(t)}$ in respect of the Maturity Date), each Security shall be redeemed on the Maturity Date at the Final Redemption Amount in respect of each nominal amount of the Securities equal to the Calculation Amount, subject to the paragraph below.

For the avoidance of doubt, if the Autocall Redemption Payout Terms are applicable to a Series of Securities and an Autocall Redemption Trigger Event (M) (as defined in the Autocall Redemption Payout Terms) occurs on any date on or prior to Valuation $\text{Date}_{(t)}$ in respect of the Maturity Date, such Securities will be redeemed pursuant to the Autocall Redemption Payout Terms. In this way, investors may receive an Autocall Redemption Amount, rather than a Final Redemption Amount, on the Maturity Date.

2. **Final Redemption Amount**

If:

(a) the Securities are not Reference Asset Linked Redemption Securities, then the Final Redemption Amount shall be determined in accordance with Final Redemption Payout Term 2(a)(i) or 2(a)(ii) (as applicable):

(i) Par. If the relevant Final Terms specify that the Final Redemption Amount is "Redemption at par", then the Final Redemption Amount in respect of each nominal amount of the Securities equal to the Calculation Amount shall be the Calculation Amount.

(ii) Par x Percentage. If the relevant Final Terms specify that the Final Redemption Amount is "Redemption at percentage of par", then the Final Redemption Amount in respect of each nominal amount of the Securities equal to the Calculation Amount shall be the amount equal to (x) the Calculation Amount multiplied by (x) the "Percentage" specified as such in the relevant Final Terms.

(b) the Securities are Reference Asset Linked Redemption Securities, then the Final Redemption Amount shall be determined in accordance with the Final Redemption Amount Mechanism pursuant to Final Redemption Payout Term 3 (*Final Redemption Amount Mechanism*) and the related provisions of these Final Redemption Payout Terms.

3. **Final Redemption Amount Mechanism**

Where, pursuant to Final Redemption Payout Term 2(b), the Final Redemption Amount shall be determined in accordance with the Final Redemption Amount Mechanism, the applicable Final Redemption Amount Mechanism for the Securities will be the option set out in paragraph (a) or (b) below, which is specified as applicable in the relevant Final Terms:

(a) **No FX Translation:**

If "No FX Translation" is specified as the applicable Final Redemption Amount Mechanism in the relevant Final Terms, the Final Redemption Amount payable in respect of each nominal amount of the Securities equal to the Calculation Amount on the Maturity Date shall be equal to:

$$\text{Calculation Amount} \times \left[\text{Redemption Percentage} + \left(\text{Participation x } \text{FRP}_{(t)}\right)\right]$$

(b) **FX Translation:**

If "FX Translation" is specified as the applicable Final Redemption Amount Mechanism in the relevant Final Terms, the Final Redemption Amount payable per Calculation Amount on the Maturity Date in respect of each Security shall be equal to:

$$\text{Calculation Amount} \times \left[\text{Redemption Percentage} + \left(\text{Participation x } \text{FRP}_{(t)}\right) \times \frac{\text{FX}_{(t)}}{\text{FX}_{(t-1)}}\right]$$

(c) **Defined Terms:**

For the purposes of paragraphs (a) and (b) above, the following terms have the following meanings:

"**Calculation Amount**" means the nominal amount of Securities specified as such in the relevant Final Terms.

"**Final Redemption Performance$_{(t)}$**" or "**FRP$_{(t)}$**" means the Reference Asset Performance$_{(t)}$ in respect of the Maturity Date determined in accordance with the Reference Asset Performance Terms and the Final Redemption Performance Mechanism(s) specified in the relevant Final Terms, provided that if:

(i) a Final Redemption Reference Asset Performance Cap is specified in the relevant Final Terms, subject to a maximum level equal to such Final Redemption Reference Asset Performance Cap; and

(ii) a Final Redemption Reference Asset Performance Floor is specified in the relevant Final Terms, subject to a minimum level equal to such Final Redemption Reference Asset Performance Floor.

"**FX$_{(t)}$**" means the rate of exchange between the Specified Currency and the Settlement Currency (expressed as the number of units (or part units) of the Settlement Currency for which one unit of the Specified Currency can be exchanged) at or around the FX Valuation Time on Valuation Date$_{(t)}$ in respect of the Maturity Date, as quoted on the FX Price Source, as determined by the Calculation Agent and provided that if such rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of FX$_{(t)}$, taking into consideration all available information as it in good faith deems relevant.

"**FX$_{(t-1)}$**" means the rate of exchange between the Specified Currency and the Settlement Currency (expressed as the number of units (or part units) of the Settlement Currency for which one unit of the Specified Currency can be exchanged) at or around the FX Valuation Time on Strike Date$_{(i)}$, as quoted on the FX Price Source, as determined by the Calculation Agent and provided that if such rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of FX$_{(t-1)}$, taking into consideration all available information as it in good faith deems relevant.

"**FX Price Source**" means the screen page or price source specified as such in the relevant Final Terms.

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

"**Participation**" means the level specified as such in the relevant Final Terms (which percentage reflects the exposure to the Final Redemption Performance$_{(t)}$), provided that, if Knock-In Determination is specified to be applicable in the relevant Final Terms and a Knock-In Event has occurred, the Participation shall be zero.

"**Redemption Percentage**" means the level of principal protection (if any), determined in accordance with the Redemption Percentage Mechanism specified in the relevant Final Terms.

"**Specified Currency**" means the lawful currency in which the Reference Asset(s) to which the Securities are linked is/are denominated, from time to time.

"**Strike Date$_{(i)}$**" has the meaning given in the Reference Asset Performance Terms.

4. **Redemption Percentage Mechanism**

The Redemption Percentage shall be determined in accordance with the Redemption Percentage Mechanism. The applicable Redemption Percentage Mechanism, in respect of determination of a Final Redemption Amount and/or an Autocall Redemption Amount, as the case may be, will be the option set out in paragraph (a) or (b) below which is specified as applicable in the relevant Final Terms in respect of the Final Redemption Amount or Autocall Redemption Amount respectively:

(a) **Specified Percentage:**

If "Specified Percentage" is specified as the applicable Redemption Percentage Mechanism in the relevant Final Terms, the Redemption Percentage shall be equal to SRP.

Where:

"**Specified Redemption Percentage**" or "**SRP**" means the percentage specified as such in the relevant Final Terms.

(b) **Knock-In Determination:**

If "Knock-In Determination" is specified as the applicable Redemption Percentage Mechanism in the relevant Final Terms, the Redemption Percentage shall be equal to:

(i) if a Knock-In Event has occurred and in respect of determination of (A) a Final Redemption Amount, the lesser of (I) DP, and (II) SRP, and (B) an Autocall Redemption Amount, the Autocall Redemption Percentage (as defined in the Autocall Redemption Payout Terms); or

(ii) if no Knock-In Event has occurred, SRP.

Where:

"**DIP Performance**" or "**DP**" means the Reference Asset Performance$_{(t)}$ in respect of the Maturity Date determined in accordance with the Reference Asset Performance Terms and the DIP Performance Mechanism(s) specified in the relevant Final Terms, provided that if (A) a DIP Performance Cap is specified in the relevant Final Terms, subject to a maximum level equal to such DIP Performance Cap and (B) a DIP Performance Floor is specified in the relevant Final Terms, subject to a minimum level equal to such DIP Performance Floor.

"**Knock-In Event**" means, in respect of a Knock-In Observation Date$_{(t)}$, the event which is determined in accordance with Final Redemption Payout Term 5 (*Knock-In Event Mechanism*) and the Knock-In Event Mechanism specified in the relevant Final Terms.

"**Specified Redemption Percentage**" or "**SRP**" means the percentage specified as such in the relevant Final Terms.

5. **Knock-In Event Mechanism**

The Knock-In Event shall be determined in accordance with the Knock-In Event Mechanism. The applicable Knock-In Event Mechanism will be the option set out in paragraph (a) or (b) below which is specified as applicable in the relevant Final Terms:

(a) **American DIP:**

If "American DIP" is specified as the applicable Knock-In Event Mechanism in the relevant Final Terms, a Knock-In Event means (and a Knock-In Event shall be deemed to have occurred if) on any Knock-In Observation Date$_{(t)}$ during the Knock-In

Observation Period$_{(t)}$, the Knock-In Event Reference Asset Performance$_{(t)}$ is equal to or below Knock-In Level$_{(t)}$.

(b) **European DIP:**

If "European DIP" is specified as the applicable Knock-In Event Mechanism in the relevant Final Terms, a Knock-In Event means (and a Knock-In Event shall be deemed to have occurred if) on the Knock-In Observation Date$_{(t)}$, the Knock-In Event Reference Asset Performance$_{(t)}$ is equal to or below Knock-In Level$_{(t)}$.

6. **Definitions**

"**American DIP**" means the option described in Final Redemption Payout Term 5(a) (*American DIP*).

"**DIP Performance Cap**" means the level specified as such in the relevant Final Terms.

"**DIP Performance Floor**" means the level specified as such in the relevant Final Terms.

"**DIP Performance Mechanism**" means the mechanism for determining the DIP Performance from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**European DIP**" means the option described in Final Redemption Payout Term 5(b) (*European DIP*).

"**Final Redemption Amount**" means the amount determined in accordance with Final Redemption Payout Term 2 (*Final Redemption Amount*) and the Final Redemption Amount Mechanism specified in the relevant Final Terms.

"**Final Redemption Amount Mechanism**" means the mechanism for determining the Final Redemption Amount as set out in Final Redemption Payout Term 3 (*Final Redemption Amount Mechanism*).

"**Final Redemption Performance Mechanism**" means the mechanism for determining the Final Redemption Performance$_{(t)}$ from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**Final Redemption Reference Asset Performance Cap**" means the level specified as such in the relevant Final Terms.

"**Final Redemption Reference Asset Performance Floor**" means the level specified as such in the relevant Final Terms.

"**FX Translation**" means the option described in Final Redemption Payout Term 3(b) (*FX Translation*).

"**i**" has the meaning given in the Reference Asset Performance Terms;

"**Knock-In Determination**" means the option described in Final Redemption Payout Term 4(b) (*Knock-In Determination*).

"**Knock-In Event Mechanism**" means the mechanism for determining a Knock-In Event as set out in Final Redemption Payout Term 5 (*Knock-In Event Mechanism*).

"**Knock-In Event Performance Mechanism**" means the mechanism for determining the Knock-In Event Reference Asset Performance$_{(t)}$ from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**Knock-In Event Reference Asset Performance$_{(t)}$**" means, in respect of a Knock-In Observation Date$_{(t)}$ the Reference Asset Performance$_{(t)}$ determined in accordance with the Reference Asset Performance Terms and the Knock-In Event Performance Mechanism(s) specified in the relevant Final Terms.

"**Knock-In Level$_{(t)}$**" means, in respect of Knock-In Observation Date$_{(t)}$, the level specified as such in the relevant Final Terms.

"**Knock-In Observation Date$_{(t)}$**" means, in respect of Reference Asset$_{(i)}$, each date specified as such in the relevant Final Terms or each date in a Knock-In Observation Period$_{(t)}$, as applicable.

"**Knock-In Observation Period$_{(t)}$**" means, in respect of Reference Asset$_{(i)}$, the period specified as such in the relevant Final Terms.

"**Latest Determination Date**" means, in respect of Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ in respect of the Maturity Date (as applicable), (a) in respect of Securities that relate to a single Reference Asset, if (i) no Market Disruption Event has occurred for such Reference Asset on Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be), the date on which Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be) is scheduled to fall or (ii) if a Market Disruption Event has occurred for such Reference Asset, the date on which Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be) falls after all adjustments are applied pursuant to the Terms and Conditions and (b) in respect of Securities that relate to two or more Reference Assets, if (i) no Market Disruption Event has occurred for any such Reference Asset on Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be), the date on which Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be) is scheduled to fall, or (ii) if a Market Disruption Event has occurred for one or more of such Reference Assets on the date on which Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be) is scheduled to fall, the date corresponding to the Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ (as the case may be) to fall latest in time (after all adjustments are applied pursuant to the Terms and Conditions).

"**Maturity Date**" means the date specified as such in the relevant Final Terms or, if later, the fifth Business Day following the Latest Determination Date in respect of Valuation Date$_{(t)}$ or the final Averaging Date$_{(t)}$ in respect of the Maturity Date.

"**No FX Translation**" means the option described in Final Redemption Payout Term 3(a) (*No FX Translation*).

"**Redemption Percentage Mechanism**" means the mechanism for determining the level of principal protection (if any) as set out in Final Redemption Payout Term 4 (*Redemption Percentage Mechanism*).

"**Reference Asset Performance$_{(t)}$**" has the meaning given in the Reference Asset Performance Terms.

"**Reference Asset Performance Options**" has the meaning given in the Reference Asset Performance Terms.

"**Specified Percentage**" means the option described in Final Redemption Payout Term 4(a) (*Specified Percentage*).

"**t**" means, in connection with the Maturity Date, a date, value or period related to such Maturity Date.

"**Valuation Date$_{(t)}$**" means the date specified as such in the relevant Final Terms in respect of the Maturity Date, subject to adjustment in accordance with the applicable Asset Terms.

AUTOCALL REDEMPTION PAYOUT TERMS

Application. The terms and conditions set out below in this section "Autocall Redemption Payout Terms" ("**Autocall Redemption Payout Terms**") shall apply to the Securities if "Autocall Redemption" is specified to be applicable in the relevant Final Terms.

1. **Autocall Redemption**

If Autocall Redemption is specified as applicable in the relevant Final Terms, then, unless the Securities have previously been redeemed, purchased or cancelled in accordance with the Terms and Conditions, the Issuer shall, as soon as practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Autocall Redemption Trigger Date, give notice to the Holders in accordance with General Term 15 (*Notices*) and each Security shall be redeemed on the Autocall Redemption Date at the Autocall Redemption Amount per nominal amount equal to the Calculation Amount in respect of each Security. Without limiting the obligation of the Issuer to issue such notice to the Holders, failure by the Issuer to provide, or non-receipt of, such notice shall not affect the validity or effect of any such redemption.

For the avoidance of doubt, the Autocall Redemption Date may be the Maturity Date, in which instance only the Autocall Redemption Amount shall be payable in respect of the Securities on such date. No Final Redemption Amount (calculated pursuant to the Final Redemption Payout Terms) would be payable in such circumstances.

2. **Autocall Redemption Trigger Date**

If an Autocall Redemption Trigger Event (M) occurs in respect of an Autocall Redemption Observation $\text{Date}_{(t)}$, an "**Autocall Redemption Trigger Date**" shall occur. The Autocall Redemption Trigger Date shall be the Potential Autocall Redemption Trigger $\text{Date}_{(t)}$ in respect of the Autocall Redemption Observation $\text{Date}_{(t)}$ on which an Autocall Redemption Trigger Event (M) has occurred.

3. **Autocall Redemption Amount**

The Autocall Redemption Amount payable per Calculation Amount in respect of each Security shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Calculation Amount} \times \left[\text{Redemption Percentage} + \text{Autocall Performance}_{(t)}\right]$$

Where:

"**Autocall Performance**$_{(t)}$" means the Autocall Redemption $\text{Performance}_{(t)}$ in respect of the Potential Autocall Redemption Trigger $\text{Date}_{(t)}$ determined in accordance with Autocall Redemption Payout Term 4 (*Autocall Redemption Option Mechanism*) and the Autocall Redemption Option Mechanism specified in the relevant Final Terms.

"**Calculation Amount**" means the nominal amount of Securities specified as such in the relevant Final Terms.

"**Redemption Percentage**" has the meaning given in the Final Redemption Payout Terms in respect of an Autocall Redemption Amount.

4. **Autocall Redemption Option Mechanism**

The Autocall Redemption $\text{Performance}_{(t)}$ in respect of the Potential Autocall Redemption Trigger $\text{Date}_{(t)}$ shall be determined in accordance with the Autocall Redemption Option Mechanism. The applicable Autocall Redemption Option Mechanism will be the option set out in paragraph (a) or (b) below which is specified as applicable in the relevant Final Terms:

(a) **Autocall Redemption Value:**

If "Autocall Redemption Value" is specified as the applicable Autocall Redemption Option Mechanism in the relevant Final Terms, Autocall Redemption Performance$_{(t)}$ shall be equal to Autocall Redemption Value$_{(t)}$ (M).

(b) **Autocall Redemption Reference Asset Performance:**

If "Autocall Redemption Reference Asset Performance" is specified as the applicable Autocall Redemption Option Mechanism in the relevant Final Terms, Autocall Redemption Performance$_{(t)}$ shall be an amount determined in accordance with the following formula:

$$\left[\text{Participation x Autocall Redemption Reference Asset Performance}_{(t)}\right] + \text{Spread}_{(t)}$$

5. **Autocall Redemption Trigger Event Mechanism**

The Autocall Redemption Trigger Event (M) shall be determined in accordance with the Autocall Redemption Trigger Event Mechanism. The applicable Autocall Redemption Trigger Event Mechanism will be the option set out in paragraphs (a) to (c) below which is specified as applicable in the relevant Final Terms:

(a) **Greater than Barrier – Single:**

If "Greater than Barrier – Single" is specified as the applicable Autocall Redemption Trigger Event Mechanism in the relevant Final Terms, an Autocall Redemption Trigger Event (M) means (and an Autocall Redemption Trigger Event (M) shall be deemed to have occurred if) the Autocall Redemption Trigger Event Performance$_{(t)}$ is greater than or equal to the Autocall Redemption Trigger Level$_{(t)}$ (M=1) on "X" number of Autocall Redemption Observation Date(s)$_{(t)}$.

(b) **Less than Barrier – Single:**

If "Less than Barrier – Single" is specified as the applicable Autocall Redemption Trigger Event Mechanism in the relevant Final Terms, an Autocall Redemption Trigger Event (M) means (and an Autocall Redemption Trigger Event (M) shall be deemed to have occurred if) the Autocall Redemption Trigger Event Performance$_{(t)}$ is less than or equal to the Autocall Redemption Trigger Level$_{(t)}$ (M=1) on "X" number of Autocall Redemption Observation Date(s)$_{(t)}$.

(c) **Collar Barrier:**

If "Collar Barrier" is specified as the applicable Autocall Redemption Trigger Event Mechanism in the relevant Final Terms, an Autocall Redemption Trigger Event (M) means (and an Autocall Redemption Trigger Event (M) shall be deemed to have occurred if) the Autocall Redemption Trigger Event Performance$_{(t)}$ is greater than or equal to the Autocall Redemption Trigger Level Lower$_{(t)}$ (M) and less than the Autocall Redemption Trigger Level Upper$_{(t)}$ (M) on "X" number of Autocall Redemption Observation Date(s)$_{(t)}$.

In relation to each Autocall Security which is also a Reference Asset Linked Interest Security, where "X" is greater than one, investors should note, notwithstanding any other Terms and Conditions of the Securities, no Interest Amount shall be payable on the Interest Payment Date scheduled to fall on the Autocall Redemption Date.

6. **Definitions**

"**Autocall Redemption Amount**" has the meaning given in Autocall Redemption Payout Term 3 (*Autocall Redemption Amount*).

"**Autocall Redemption Date**" means the fifth Business Day following the Autocall Redemption Trigger Date.

"**Autocall Redemption Observation Date$_{(t)}$**" means, in respect of the Potential Autocall Redemption Trigger Date$_{(t)}$, each date specified as such in the relevant Final Terms or each date in an Autocall Redemption Observation Period$_{(t)}$, as applicable.

"**Autocall Redemption Observation Period$_{(t)}$**" means the period specified as such in the relevant Final Terms in respect of the Potential Autocall Redemption Trigger Date$_{(t)}$.

"**Autocall Redemption Option Mechanism**" means the mechanism for determining the Autocall Redemption Performance$_{(t)}$ as set out in Autocall Redemption Payout Term 4 (*Autocall Redemption Option Mechanism*).

"**Autocall Redemption Percentage**" means the percentage specified as such in the relevant Final Terms.

"**Autocall Redemption Performance$_{(t)}$**" means the amount determined in accordance with Autocall Redemption Payout Term 4 (*Autocall Redemption Option Mechanism*).

"**Autocall Redemption Performance Mechanism**" means the mechanism for determining the Autocall Redemption Reference Asset Performance$_{(t)}$ from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**Autocall Redemption Reference Asset Performance**" means the option described in Autocall Redemption Payout Term 4(b) (*Autocall Redemption Reference Asset Performance*).

"**Autocall Redemption Reference Asset Performance$_{(t)}$**" means the Reference Asset Performance$_{(t)}$ in respect of the Potential Autocall Redemption Trigger Date$_{(t)}$, determined in accordance with the Reference Asset Performance Terms and the Autocall Redemption Performance Mechanism(s) specified in the relevant Final Terms, and (a) if an Autocall Redemption Reference Asset Performance Cap is specified in the relevant Final Terms, subject to a maximum level equal to such Autocall Redemption Reference Asset Performance Cap, and (b) if an Autocall Redemption Reference Asset Performance Floor is specified in the relevant Final Terms, subject to a minimum level equal to such Autocall Redemption Reference Asset Performance Floor.

"**Autocall Redemption Reference Asset Performance Cap**" means the level specified as such in the Final Terms.

"**Autocall Redemption Reference Asset Performance Floor**" means the level specified as such in the Final Terms.

"**Autocall Redemption Trigger Date**" has the meaning given in Autocall Redemption Payout Term 2 (*Autocall Redemption Trigger Date*).

"**Autocall Redemption Trigger Event (M)**" means, in respect of the relevant value of (M) and Autocall Redemption Observation Date$_{(t)}$, the event which is determined in accordance with Autocall Redemption Payout Term 5 (*Autocall Redemption Trigger Event Mechanism*) and the Autocall Redemption Trigger Event Mechanism specified in the relevant Final Terms.

"**Autocall Redemption Trigger Event Mechanism**" means the mechanism for determining an Autocall Redemption Trigger Event (M) as set out in Autocall Redemption Payout Term 5 (*Autocall Redemption Trigger Event Mechanism*).

"**Autocall Redemption Trigger Event Performance$_{(t)}$**" means, in respect of an Autocall Redemption Observation Date$_{(t)}$, the Reference Asset Performance$_{(t)}$ in respect of such Autocall Redemption Observation Date$_{(t)}$ determined in accordance with the Reference Asset Performance Terms and the Autocall Redemption Trigger Event Performance Mechanism(s) specified in the relevant Final Terms.

"**Autocall Redemption Trigger Event Performance Mechanism**" means the mechanism for determining the Autocall Redemption Trigger Event Performance$_{(t)}$ from the Reference Asset Performance Options in the Reference Asset Performance Terms.

"**Autocall Redemption Trigger Level$_{(t)}$ (M=1)**" means the level specified in the relevant Final Terms in respect of the relevant value of (M=1), the Autocall Redemption Observation Date$_{(t)}$ and, as applicable, the Reference Asset$_{(i)}$.

"**Autocall Redemption Trigger Level Lower$_{(t)}$ (M)**" means the level specified as such in the relevant Final Terms in respect of the relevant value of (M), the Autocall Redemption Observation Date$_{(t)}$ and, as applicable, the Reference Asset$_{(i)}$.

"**Autocall Redemption Trigger Level Upper$_{(t)}$ (M)**" means the level specified as such in the relevant Final Terms in respect of the relevant value of (M), Autocall Redemption Observation Date$_{(t)}$ and, as applicable, the Reference Asset$_{(i)}$.

"**Autocall Redemption Value**" means the option described in Autocall Redemption Payout Term 4(a) (*Autocall Redemption Value*).

"**Autocall Redemption Value$_{(t)}$ (M)**" means the amount specified as such in the relevant Final Terms in respect of the relevant value of (M) and the Potential Autocall Redemption Trigger Date$_{(t)}$.

"**Collar Barrier**" means the option described in Autocall Redemption Payout Term 5(c) (*Collar Barrier*).

"**Greater than Barrier – Single**" has the meaning given in Autocall Redemption Payout Term 5(a) (*Greater than Barrier – Single*).

"**i**" has the meaning given in the Reference Asset Performance Terms.

"**Less than Barrier – Single**" has the meaning given in Autocall Redemption Payout Term 5(b) (*Less than Barrier – Single*).

"**M**" means the integer number which corresponds to the relevant Autocall Redemption Trigger Level$_{(t)}$ (M=1), Autocall Redemption Trigger Level Upper$_{(t)}$ (M) or Autocall Redemption Trigger Level Lower$_{(t)}$ (M), as the case may be, as specified in the relevant Final Terms. M will be an integer number from, and including, one to, and including, the integer number which corresponds to the number of different autocall redemption trigger levels. Where there is one autocall redemption trigger level in respect of an Potential Autocall Redemption Trigger Date, M = 1, there will be one Autocall Redemption Trigger Level$_{(t)}$ or one each of Autocall Redemption Trigger Level Lower$_{(t)}$ and Autocall Redemption Trigger Level Upper$_{(t)}$, as applicable, with M = 1 in respect of each Potential Autocall Redemption Trigger Date$_{(t)}$ with corresponding Autocall Redemption Value$_{(t)}$ for M = 1, as set out in the relevant Final Terms if applicable). Where there are, say, two autocall redemption trigger levels in respect of a Potential Autocall Redemption Trigger Date, M = 1 and M = 2, there will be two Autocall Redemption Trigger Levels$_{(t)}$ or two pairs of Autocall Redemption Trigger Level Lower$_{(t)}$ and Autocall Redemption Trigger Level Upper$_{(t)}$, as applicable, with M = 1 in respect of one and M = 2 in respect of the other, each in respect of each Potential Autocall Redemption Trigger Date$_{(t)}$ with corresponding Autocall Redemption Values$_{(t)}$ for M = 1 and M = 2, as set out in the relevant Final Terms if applicable).

"**Participation**" means the level specified as such in the relevant Final Terms (which percentage reflects the exposure to the Autocall Redemption Reference Asset Performance$_{(t)}$), provided that, if Knock-In Determination is specified to be applicable in the relevant Final Terms and a Knock-In Event has occurred, the Participation shall be zero.

"**Potential Autocall Redemption Trigger Date$_{(t)}$**" means each date specified as such in the relevant Final Terms.

"**Reference Asset Performance$_{(t)}$**" has the meaning given in the Reference Asset Performance Terms.

"**Reference Asset Performance Options**" has the meaning given in the Reference Asset Performance Terms.

"**Spread**" means the percentage specified as such in the relevant Final Terms.

"**$\mathbf{Spread_{(t)}}$**" means the Spread specified in the relevant Final Terms in respect of Potential Autocall Redemption $\text{Date}_{(t)}$.

"**t**" means, in connection with Potential Autocall Redemption Trigger $\text{Date}_{(t)}$, a date, value or period related to such Potential Autocall Redemption Trigger $\text{Date}_{(t)}$.

"**X**" means the number specified as such in the relevant Final Terms.

SCHEDULE TO PAYOUT TERMS

REFERENCE ASSET PERFORMANCE TERMS

These Reference Asset Performance Terms shall apply to all:

- Reference Asset Linked Interest Securities;
- Reference Asset Linked Redemption Securities; and
- Autocall Securities,

in each case, as provided below and in respect of the particular Reference Asset Performance Terms specified to be applicable in the relevant Final Terms.

1. **Reference Asset Performance**

The "Reference Asset Performance" in relation to the Securities and a Reference Asset or a basket of Reference Assets (as applicable) and a date shall be determined by the Calculation Agent in accordance with the applicable option(s) selected through the Reference Asset Performance Mechanism and, where the Securities are linked to more than one Reference Asset and/or the applicable Reference Asset Performance Mechanism is "Lock-in", the Constituent Performance Mechanism, in accordance with Reference Asset Performance Term 2 (*Reference Asset Performance Mechanism and (if applicable) Constituent Performance Mechanism*) below.

2. **Reference Asset Performance Mechanism and (if applicable) Constituent Performance Mechanism**

(a) Single Reference Asset. Where the Securities are linked to a single Reference Asset, the "Reference Asset Performance" in respect of that Reference Asset and a determination date for the Securities shall be determined by the Calculation Agent in accordance with the option(s) (a) – (f) in Reference Asset Performance Term 3 (*Single Reference Asset Performances*) below and option (d) in Reference Asset Performance Term 4 (*Basket Performances and Lock-in*) below which is/are specified in the relevant Final Terms to be the applicable option(s) under the "Reference Asset Performance Mechanism".

(b) Multiple Reference Assets and/or Lock-in. Where the Securities are linked to (i) more than one Reference Asset or (ii) only one Reference Asset and the applicable Reference Asset Performance Mechanism is "Lock-in", the "Reference Asset Performance" in respect of those Reference Assets and a determination date shall be determined by the Calculation Agent in accordance with:

(A) the option(s) (a) – (e) in Reference Asset Performance Term 4 (*Basket Performances and Lock-in*) below which is/are specified in the relevant Final Terms to be the applicable option(s) under the "Reference Asset Performance Mechanism"; and

(B) the option(s) (a) – (h) in Reference Asset Performance Term 3 (*Single Reference Asset Performances*) below which is/are specified in the relevant Final Terms to be the applicable option(s) under the "Constituent Performance Mechanism".

3. **Single Reference Asset Performances**

(a) **Individual Performance:**

If "Individual Performance" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula (whether by itself or as part of a combined formula):

$$\frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t-1)}}$$

(b) **Individual Return:**

If "Individual Return" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula (whether by itself or as part of a combined formula) :

$$\frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t-1)}} - \text{Strike Value}_{(i)}$$

(c) **Individual Reverse Return:**

If "Individual Reverse Return" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula (whether by itself or as part of a combined formula):

$$\text{Strike Value}_{(i)} - \frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t-1)}}$$

(d) **Replacement Return:**

If "Replacement Return" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following (whether by itself or as part of a combined formula):

$$\text{Reference Value(Replacement)}_{(i,t)}$$

(e) **Rate:**

If "Rate" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula (whether by itself or as part of a combined formula):

$$\text{Reference Value}_{(i,t)}$$

(f) **Specified:**

If "Specified" is specified as the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as applicable) in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be equal to the percentage specified in the relevant Final Terms.

(g) **Weighted Individual Performance:**

If "Weighted Individual Performance" is specified as the applicable Constituent Performance Mechanism in the relevant Final Terms, the Reference Asset Performance

in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Weighting}_{(i)} \times \left(\frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t\text{-}l)}} \right)$$

(h) **Weighted Individual Return:**

If "Weighted Individual Return" is specified as the applicable Constituent Performance Mechanism in the relevant Final Terms, the Reference Asset Performance in respect of each Reference $\text{Asset}_{(i)}$ on any $\text{date}_{(t)}$ shall be determined by the Calculation Agent in accordance with the following formula:

$$\text{Weighting}_{(i)} \times \left(\frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t-l)}} - \text{Strike Value}_{(i)} \right)$$

4. **Basket Performances and Lock-in**

(a) **Aggregate:**

If "Aggregate" is specified as the applicable Reference Asset Performance Mechanism in the relevant Final Terms, the Reference Asset Performance shall be determined by the Calculation Agent as the aggregate of each of the Constituent $\text{Performances}_{(i)}$ in respect of each Reference Asset; expressed formulaically:

$$\sum_{i=1}^{N} \text{Constitutent Performance}_{(i)}$$

(b) **Worst Of:**

If "Worst Of" is specified as the applicable Reference Asset Performance Mechanism in the relevant Final Terms, the Reference Asset Performance shall be determined by the Calculation Agent as the lowest (or equal tied lowest, as the case may be) of the Constituent $\text{Performances}_{(i)}$ of each Reference Asset; expressed formulaically:

$$Min_{i=l}^{N} \text{Constituent Performance}_{(i)}$$

(c) **Best Of:**

If "Best Of" is specified as the applicable Reference Asset Performance Mechanism in the relevant Final Terms, the Reference Asset Performance shall be determined by the Calculation Agent as the highest (or equal tied highest, as the case may be) of the Constituent $\text{Performances}_{(i)}$ of each Reference Asset; expressed formulaically:

$$Max_{i=l}^{N} \text{Constituent Performance}_{(i)}$$

(d) **Lock-in:**

If "Lock-in" is specified as the applicable Reference Asset Performance Mechanism in the relevant Final Terms, the Reference Asset Performance shall be determined by the Calculation Agent as the highest (or equal tied highest, as the case may be) of the Constituent $\text{Performances}_{(i)}$ of each Reference Asset or of the Reference Asset, as the case may be, observed in respect of each of the relevant Interest Observation $\text{Dates}_{(t)}$, Valuation $\text{Dates}_{(t)}$, Autocall Redemption Observation $\text{Dates}_{(t)}$ or Knock-In Observation $\text{Dates}_{(t)}$ (as applicable, and subject as provided in the definition of "$T_{(i)}$"); expressed formulaically:

$$Max_{i=1}^{N}{}_{t=1}^{T(i)} \text{Constituent Performance}_{(i,t)}$$

(e) **Best Of Replacement:**

If "Best of Replacement" is specified as the applicable Reference Asset Performance Mechanism in the relevant Final Terms, the Reference Asset Performance shall be determined by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^{N} CP_{(i)} - \text{Best Of Performances} + \text{Best Of Replacement}$$

Where:

"**Best Of Performances**" means, in respect of the Securities and any $date_{(t)}$, the aggregate of the $CP_{(i)}$ in respect of each Reference Asset in the Basket which has a Performance Ranking in respect of $date_{(t)}$ of any of 1 through (and including) Number of Replacement Performances.

"**Best Of Replacement**" means the *product of* (A) Number of Replacement Performances, *multiplied by* (B) Best Of Replacement Amount.

"**Best Of Replacement Amount**" means the amount specified as such in the relevant Final Terms.

"**Number of Replacement Performances**" means, in relation to any Securities, the integer specified in the relevant Final Terms (which number may range from one to the total number of Reference Assets in the Basket minus one).

5. **Definitions**

"**Aggregate**" means the option described in Reference Asset Performance Term 4(a) (*Aggregate*).

"**Averaging Date$_{(t)}$**" means in respect of a Strike $Date_{(i)}$, an Interest Observation $Date_{(t)}$, an Autocall Redemption Observation $Date_{(t)}$, an Interest Payment $Date_{(t)}$, a Knock-In Observation $Date_{(t)}$, the Maturity Date or a Potential Autocall Redemption Trigger $Date_{(t)}$ or without reference to any other date, as the case may be, each date specified as such in the relevant Final Terms, in each case, subject to adjustment in accordance with the applicable Asset Terms.

"**Best Of**" means the option described in Reference Asset Performance Term 4(c) *(Best Of)*.

"**Best Of Replacement**" means the option described in Reference Asset Performance Term 4(e) (*Best of Replacement*).

"**Constituent Performance$_{(i)}$**" or "**CP$_{(i)}$**" means, in respect of Reference $Asset_{(i)}$ and any $date_{(t)}$, the Reference Asset $Performance_{(i),(t)}$ determined in respect of such date in accordance with the Reference Asset Performance Mechanism and Constituent Performance Mechanism specified in the relevant Final Terms, provided that if:

(a) an Interest Barrier Event Constituent Performance Rate $Cap_{(i)}$, a Final Redemption Constituent Performance $Cap_{(i)}$, a DIP Constituent Performance $Cap_{(i)}$, a Knock-In Event Constituent Performance Rate $Cap_{(i)}$, a Constituent Performance Rate $Cap_{(i)}$ or an Autocall Redemption Constituent Performance $Cap_{(i)}$, as applicable, is specified in the relevant Final Terms, subject to a maximum level equal to such Interest Barrier Event Constituent Performance Rate $Cap_{(i)}$, Final Redemption Constituent Performance $Cap_{(i)}$, DIP Constituent Performance $Cap_{(i)}$, Knock-In Event Constituent Performance Rate $Cap_{(i)}$, Constituent Performance Rate $Cap_{(i)}$ or Autocall Redemption Constituent Performance $Cap_{(i)}$, as applicable and

(b) an Interest Barrier Event Constituent Performance Rate $Floor_{(i)}$, a Final Redemption Constituent Performance $Floor_{(i)}$, DIP Constituent Performance $Floor_{(i)}$, Knock-In Event Constituent Performance Rate $Floor_{(i)}$, a Constituent Performance Rate $Floor_{(i)}$ or an Autocall Redemption Constituent Performance $Floor_{(i)}$, as applicable, is specified in the relevant Final Terms, subject to a minimum level equal to such Interest Barrier Event Constituent Performance Rate $Floor_{(i)}$, Final Redemption Constituent Performance $Floor_{(i)}$, DIP Constituent Performance $Floor_{(i)}$, Knock-In Event Constituent Performance Rate $Floor_{(i)}$, Constituent Performance Rate $Floor_{(i)}$ or Autocall Redemption Constituent Performance $Floor_{(i)}$, as applicable.

"**Constituent Performance Mechanism**" means the mechanism for determining the Constituent $Performance_{(i)}$ as set out in Reference Asset Performance Term 2 (*Reference Asset Performance Mechanism and (if applicable) Constituent Performance Mechanism*).

"**$date_{(t)}$**" means the date on which the Reference Asset Performance and/or Constituent $Performance_{(i)}$ and, if relevant, Reference $Value_{(i,t)}$ are to be calculated in accordance with the Interest Payout Terms, Autocall Redemption Payout Terms, Final Redemption Payout Terms or Reference Asset Performance Terms (as applicable).

"**i**" means the number which corresponds to a Reference Asset specified as such in the relevant Final Terms.

"**Individual Performance**" means the option described in Reference Asset Performance Term 3(a) (*Individual Performance*).

"**Individual Return**" means the option described in Reference Asset Performance Term 3(b) (*Individual Return*).

"**Individual Reverse Return**" means the option described in Reference Asset Performance Term 3(c) (*Individual Reverse Return*).

"**Lock-In**" means the option described in Reference Asset Performance Term 4(d) (*Lock-In*).

"**N**" means the number of Reference Assets as specified in the relevant Final Terms.

"**Performance Ranking**" means, in respect of Securities, a Reference $Asset_{(i)}$ and any $date_{(t)}$, the unique ranking of such Reference $Asset_{(i)}$ for such $date_{(t)}$ assigned by the Calculation Agent amongst all the Reference Assets, where such ranking is assigned by reference to the $CP_{(i)}$ of each Reference Asset for such $date_{(t)}$ sequentially from the highest to the lowest, such that (for the avoidance of doubt) the Reference $Asset_{(i)}$ with the highest Reference Asset $Performance_{(i),(t)}$ shall have the highest ranking (i.e. "1" or "first ranking") and the Reference $Asset_{(i)}$ with the lowest Reference Asset $Performance_{(i),(t)}$ shall have the lowest ranking. If two or more such Reference Assets have the same $CP_{(i)}$ for such relevant $date_{(t)}$, as determined by the Calculation Agent (all such Reference Assets, if any, being for the purposes of this definition only, "**Equal Performance Reference Assets**", and each being an "**Equal Performance Reference Asset**"), then:

(a) each Reference $Asset_{(i)}$, if any, with a higher $CP_{(i)}$ for such $date_{(t)}$ than any such Equal Performance Reference Asset, shall have a higher Performance Ranking than any such Equal Performance Reference Asset;

(b) any Reference $Asset_{(i)}$, if any, with a lower $CP_{(i)}$ for such $date_{(t)}$ than any such Equal Performance Reference Asset, shall have a lower Performance Ranking than any such Equal Performance Reference Asset; and

(c) subject to paragraphs (a) and (b) above, as amongst themselves, all such Equal Performance Reference Asset shall be assigned such Performance Ranking as the Calculation Agent may determine in its sole and absolute discretion.

"**Rate**" means the option described in Reference Asset Performance Term 3(e) (*Rate*).

"**Reference Asset**" means each reference asset specified as such in the relevant Final Terms.

"**Reference Asset Performance**" means the result of the calculation by the Calculation Agent following the application of the formula set out in the particular option (a) – (h) in Reference Asset Performance Term 3 (*Single Reference Asset Performances*) (each, a "**Single Reference Asset Performance Option**") or option (a) – (e) in Reference Asset Performance Term 4 (*Basket Performances and Lock-in*) (each, a "**Basket Reference Asset Performance Option**" and, together with each Single Reference Asset Performance Option, a "**Reference Asset Performance Option**") in respect of the Reference Asset(s) on any determination date.

"**Reference Asset Performance$_{(i),(t)}$**" means the Reference Asset Performance in respect of (a) the Single Reference Asset Performance Option which is specified to be applicable in the relevant Final Terms in accordance with (i) the Interest Payout Terms, Final Redemption Payout Terms or Autocall Redemption Payout Terms as applicable, and (ii) the Reference Asset Performance Mechanism or Constituent Performance Mechanism, as applicable, (b) Reference Asset$_{(i)}$ and (c) relevant date$_{(t)}$, subject to adjustment in accordance with the applicable Asset Terms.

"**Reference Asset Performance$_{(t)}$**" means, on any date$_{(t)}$:

(a) where the Securities are linked to a single Reference Asset (Reference Asset$_{(i)}$) and "Lock-in" is not specified as an applicable Reference Asset Performance Option in the relevant Final Terms, Reference Asset Performance$_{(i),(t)}$ for such date$_{(t)}$;

(b) where the Securities are linked to a single Reference Asset (Reference Asset$_{(i)}$) and "Lock-in" is specified as an applicable Reference Asset Performance Option in the relevant Final Terms, the Reference Asset Performance in respect of the Reference Asset Performance Option "Lock-in" (for the avoidance of doubt, after calculation of the applicable Constituent Performance(s)$_{(i)}$ of Reference Asset$_{(i)}$) for such date$_{(t)}$; or

(c) where the Securities are linked to two or more Reference Assets (a "**Basket**"), the Reference Asset Performance in respect of the Basket Reference Asset Performance Option specified as applicable in the relevant Final Terms in respect of the Basket (for the avoidance of doubt, after calculation of the applicable Constituent Performances$_{(i)}$ of each Reference Asset$_{(i)}$) (the "**Basket Performance**"), provided that if the relevant Final Terms specifies only a single Reference Asset$_{(i)}$ (or two or more of the Reference Assets amongst a larger Basket ("**Specified Reference Assets**")) as applicable under the applicable Reference Asset Performance Mechanism or Constituent Performance Mechanism (as the case may be) for any calculation under the Interest Payout Terms, Final Redemption Payout Terms or Autocall Redemption Payout Terms (as applicable), then Reference Asset Performance$_{(t)}$ shall mean Reference Asset Performance$_{(i),(t)}$ for such Reference Asset$_{(i)}$ (or, in relation to Specified Reference Assets, shall mean the Basket Performance calculated as if the Basket of Reference Assets comprised only the Specified Reference Assets) on date$_{(t)}$ for such purpose, subject to adjustment in accordance with the applicable Asset Terms.

"**Reference Asset Performance Mechanism**" means the mechanism for determining the applicable Reference Asset Performance$_{(t)}$ set out in Reference Asset Performance Term 2 (*Reference Asset Performance Mechanism and (if applicable) Constituent Performance Mechanism*) in respect of the Interest Barrier Event Performance Mechanism, Interest Performance Mechanism, Autocall Redemption Trigger Event Performance Mechanism, Autocall Redemption Performance Mechanism, Knock-In Event Performance Mechanism, DIP Performance Mechanism and Final Redemption Performance Mechanism, as applicable (each as defined in the Interest Payout Terms, Autocall Redemption Payout Terms or Final Redemption Payout Terms).

"**Reference Value**" means, in respect of a Reference Asset and any date, if such Reference Asset is:

(a) a Commodity, the Relevant Price as defined in the Commodity and Commodity Futures Contracts Linked Terms;

(b) a Currency Exchange Rate, the Currency Price as defined in the Currency Linked Terms;

(c) an Equity, the Equity Price as defined in the Equity Linked Terms

(d) an Index, the Index Level as defined in the Index Linked Terms;

(e) an Index Futures Contract, the Official Settlement Price as defined in the Index Futures Contract Linked Terms;

(f) a Fund, the Fund Share Price as defined in the Fund Linked Terms;

(g) a Government Bond Futures Contract, the Official Settlement Price as defined in the Government Bond Futures Contract Linked Terms;

(h) an Inflation Index, the Reference Level as defined in the Inflation Index Linked Terms; and

(i) a Certificate, the Certificate Price as defined in the Certificate Linked Terms; and

(j) a Reference Rate, the Reference Rate as defined in the Reference Rate Linked Terms,

in each case, as determined by the Calculation Agent.

"**Reference Value$_{(i,t)}$**" or "**RV$_{(i,t)}$**" means, in respect of Reference Asset$_{(i)}$ and a date$_{(t)}$:

(a) if a Valuation Date$_{(t)}$ is specified as applicable in the relevant Final Terms in relation to such date$_{(t)}$, the Reference Value of Reference Asset$_{(i)}$ on such Valuation Date$_{(t)}$; otherwise the Reference Value of Reference Asset$_{(i)}$ on such date$_{(t)}$; or

(b) if Averaging Dates$_{(t)}$ are specified as applicable in the relevant Final Terms in relation to such date$_{(t)}$, the arithmetic average of the Reference Value of Reference Asset$_{(i)}$ on each such Averaging Date$_{(t)}$.

"**Reference Value$_{(i,t-1)}$**" or "**RV$_{(i,t-1)}$**" means, in respect of Reference Asset$_{(i)}$ and a date$_{(t-1)}$:

(a) if "Reference Asset Determination" is specified as applicable in the relevant Final Terms and (i) if a Valuation Date$_{(t)}$ is specified as applicable in the relevant Final Terms in relation to such date$_{(t-1)}$, the Reference Value of Reference Asset$_{(i)}$ on such Valuation Date$_{(t)}$, otherwise the Reference Value of Reference Asset$_{(i)}$ on such date$_{(t-1)}$, or (ii) if Averaging Dates$_{(t)}$ are specified as applicable in the relevant Final Terms in relation to such date$_{(t-1)}$, the arithmetic average of the Reference Value of Reference Asset$_{(i)}$ on each such Averaging Date$_{(t)}$; or

(c) Strike Value$_{(i)}$, if specified as applicable in the relevant Final Terms.

"**Reference Value(Replacement)$_{(i,t)}$**" means, in respect of Reference Asset$_{(i)}$ and a date$_{(t)}$:

(a) if Reference Value$_{(i,t)}$ is greater than or equal to Reference Value$_{(i,t-1)}$, the Replacement Return Amount; or

(b) if Reference Value$_{(i,t)}$ is less than Reference Value$_{(i,t-1)}$, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Reference Value}_{(i,t)}}{\text{Reference Value}_{(i,t-l)}} - 1$$

"**Replacement Return**" means the option described in Reference Asset Performance Term 3(d) (*Replacement Return*).

"**Replacement Return Amount**" means the amount specified as such in the relevant Final Terms.

"**Specified**" means the option described in Reference Asset Performance Term 3(f) (*Specified*).

"**Strike Date$_{(i)}$**" means the date specified as such in the relevant Final Terms.

"**Strike Value$_{(i)}$**" means (a) if "Reference Asset Determination" is specified as applicable in the relevant Final Terms, in respect of Strike Date$_{(i)}$ and Reference Asset$_{(i)}$, the Reference Value of Reference Asset$_{(i)}$ on such Strike Date$_{(i)}$ or, if Averaging Dates are specified as applicable in the relevant Final Terms, the arithmetic average of the Reference Value of Reference Asset$_{(i)}$ on each Averaging Date$_{(t)}$ in respect of the Strike Date$_{(i)}$ or (b) the percentage or number specified as such in the relevant Final Terms.

"**t**" means the number which corresponds to the date$_{(t)}$ specified as such in the relevant Final Terms.

"**T$_{(i)}$**" means, in respect of Reference Asset$_{(i)}$ and:

(a) in respect of Interest Observation Date$_{(t)}$, the number of Interest Observation Dates from, and including, the initial Interest Observation Date (Interest Observation Date$_{(t=1)}$) to, and including, Interest Observation Date$_{(t)}$;

(b) in respect of Valuation Date$_{(t)}$ in respect of an Interest Payment Date$_{(t)}$, the number of dates specified as a Valuation Date$_{(t)}$ in respect of an Interest Payment Date from, and including, the initial Valuation Date$_{(t)}$ in respect of an Interest Payment Date (Valuation Date$_{(t=1)}$ in respect of an Interest Payment Date$_{(t=1)}$) to, and including, Valuation Date$_{(t)}$ in respect of an Interest Payment Date$_{(t)}$;

(c) in respect of Autocall Redemption Observation Date$_{(t)}$, the number of Autocall Redemption Observation Dates from, and including, the initial Autocall Redemption Observation Date (Autocall Redemption Observation Date$_{(t=1)}$) to, and including, Autocall Redemption Observation Date$_{(t)}$;

(d) in respect of Valuation Date$_{(t)}$ in respect of a Potential Autocall Redemption Trigger Date$_{(t)}$, the number of dates specified as a Valuation Date$_{(t)}$ in respect of a Potential Autocall Redemption Trigger Date from, and including, the initial Valuation Date$_{(t)}$ in respect of a Potential Autocall Redemption Trigger Date (Valuation Date$_{(t=1)}$ in respect of a Potential Autocall Redemption Trigger Date$_{(t=1)}$) to, and including, Valuation Date$_{(t)}$ in respect of a Potential Autocall Redemption Trigger Date$_{(t)}$; or

(e) in respect of Knock-In Observation Date$_{(t)}$, the number of Knock-In Observation Dates from, and including, the initial Knock-In Observation Date (Knock-In Observation Date$_{(t=1)}$) to, and including, Knock-In Observation Date$_{(t)}$.

"**Valuation Date$_{(t)}$**" means in respect of a Strike Date$_{(i)}$, an Interest Observation Date$_{(t)}$, an Autocall Redemption Observation Date$_{(t)}$, an Interest Payment Date$_{(t)}$, a Knock-In Observation Date$_{(t)}$, the Maturity Date or a Potential Autocall Redemption Trigger Date$_{(t)}$ or without reference to any other date, as the case may be, each date specified as such in the relevant Final Terms, in each case, subject to adjustment in accordance with the applicable Asset Terms.

"**Weighting$_{(i)}$**" means the weight of Reference Asset$_{(i)}$ specified as such in the relevant Final Terms.

"**Weighted Individual Performance**" means the option described in Reference Asset Performance Term 3(g) (*Weighted Individual Performance*).

"**Weighted Individual Return**" means the option described in Reference Asset Performance Term 3(h) (*Weighted Individual Return*).

"**Worst Of**" means the option described in Reference Asset Performance Term 4(b) (*Worst Of*).

FORM OF FINAL TERMS

Dated [●]

[These Final Terms supersede and replace those dated [●] in relation to the Securities.]

[Tranche number]

The Royal Bank of Scotland plc

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

[UP TO] [*AMOUNT*] [*TYPE OF PRODUCT*] SECURIT[Y][IES] LINKED TO [*REFERENCE ASSET*] (ISIN: [●])

[*Include the preceding title unless documenting a fungible issuance of Securities. Where documenting a fungible issuance of Securities, include instead:* [FIRST / SECOND / [*AMOUNT*]] INCREASE: ISSUE [AND LISTING] ON [*EFFECTIVE DATE OF INCREASE*] OF [UP TO] A FURTHER [*INCREASE AMOUNT*] [*NAME OF PRODUCT*] TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE EXISTING ISSUE OF [*ORIGINAL AMOUNT (INC. ANY PREVIOUS INCREASES)*] [*NAME OF PRODUCT*] TO BRING THE TOTAL ISSUE SIZE TO [*TOTAL AMOUNT*] [*NAME OF PRODUCT*] (ISIN: [●])]

[INDICATIVE] ISSUE PRICE: [●]

PART A – CONTRACTUAL 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 Notes dated 21 June 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 Notes dated 21 June 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).]

[*Include whichever of the following apply or specify "Not Applicable" or delete the relevant paragraph. Delete any tables that are not applicable. Italicised text denotes instructions for completing these Final Terms*]

SERIES DETAILS		
1.	[(i) Tranche Number:	[●]]
	[(ii) Date on which the Securities become fungible:	[The Securities shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Security for interests in the Permanent Global Security, as referred to in paragraph 60 below [which is expected to occur on or about [*insert date*]]]]]
2.	Settlement Currency:	[●]
3.	Aggregate Nominal Amount:	[Up to] [●]
	[(i) Series:	[Up to] [●]]
	[(ii) Tranche:	[●]]
4.	Nominal Amount:	[●] per Security
5.	Inducements, commissions and/or other fees:	[[●] per cent. [per annum] of the Aggregate Nominal Amount] / [Not Applicable]
6.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*insert if applicable*)]
7.	(i) Specified Denomination(s):	[[●] (*specify amount*)] / [[●] and integral multiples of [●] in excess thereof up to and including [●]. No notes in definitive form will be issued with a denomination above [●]]
	(ii) Calculation Amount:	[●]
8.	Issue Date:	[●]
9.	Maturity Date:	[●] [subject to adjustment in accordance with the Business Day Convention]
10.	Applicable Additional Terms:	[Not Applicable] [Additional Term [●]] [*insert if Additional Term 7 is applicable*: - see paragraph 59 below]
11.	Interest Basis:	[Not Applicable] [[●] per cent. Fixed Rate] [[*specify reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] [Reference Asset Linked Interest:] [Commodity Linked Interest] [Currency Linked Interest] [Equity Linked Interest] [Index Linked Interest] [Index Futures Contract Linked Interest] [Fund Linked Interest] [Government Bond Futures Contract Linked Interest] [Inflation Index Linked Interest] [Certificate Linked Interest] [Reference Rate Linked Interest] [Hybrid Linked Interest] [Not Applicable; see "Change of Interest Basis" below]

12.	Change of Interest Basis:	[Applicable] / [Not Applicable] *(If not applicable, delete remaining sub-paragraphs of this paragraph)*
	(i) Interest Basis A:	[[●] per cent. Fixed Rate] [[*specify reference rate*] +/– [●] per cent. Floating Rate] [Reference Asset Linked Interest:] [Commodity Linked Interest] [Currency Linked Interest] [Equity Linked Interest] [Index Linked Interest] [Index Futures Contract Linked Interest] [Fund Linked Interest] [Government Bond Futures Contract Linked Interest] [Inflation Index Linked Interest] [Certificate Linked Interest] [Reference Rate Linked Interest] [Hybrid Linked Interest]
	(ii) Interest Basis A Commencement Date:	[Fixed Interest Commencement Date] / [Floating Interest Commencement Date] / [Reference Asset Linked Interest Commencement Date]
	(iii) Interest Basis B:	[[●] per cent. Fixed Rate] [[*specify reference rate*] +/– [●] per cent. Floating Rate] [Reference Asset Linked Interest:] [Commodity Linked Interest] [Currency Linked Interest] [Equity Linked Interest] [Index Linked Interest] [Index Futures Contract Linked Interest] [Fund Linked Interest] [Government Bond Futures Contract Linked Interest] [Inflation Index Linked Interest] [Certificate Linked Interest] [Reference Rate Linked Interest] [Hybrid Linked Interest]
	(iv) Interest Basis B Commencement Date:	[Fixed Interest Commencement Date] / [Floating Interest Commencement Date] / [Reference Asset Linked Interest Commencement Date]
13.	Redemption/Payment Basis:	[Redemption at par] [Redemption at percentage of par] [Reference Asset Linked Redemption:] [Commodity Linked Redemption] [Currency Linked Redemption] [Equity Linked Redemption] [Index Linked Redemption] [Index Futures Contract Linked Redemption] [Fund Linked Redemption] [Government Bond Futures Contract Linked Redemption] [Inflation Index Linked Redemption] [Certificate Linked Redemption] [Reference Rate Linked Redemption] [Hybrid Linked Redemption]
14.	Autocall Redemption:	[Applicable] / [Not Applicable]

15. Additional Business Centre(s): [●] / [Not Applicable]

GENERAL PROVISIONS RELATING TO THE INTEREST / REDEMPTION BASIS

16. Commodity Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) The identity of the relevant Commodity(ies) (each a "**Reference Asset**"):

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Commodity Reference Price: [●]; (ii) Commodity: [●]; (*Include type or grade if relevant, the location of delivery and any other details*) (iii) Exchange: [●] / [Not Applicable]; (iv) Specified Price: [the high price] / [the low price] / [the average of the high price and the low price] / [the closing price] / [the opening price] / [the bid price] / [the asked price] / [the average of the bid price and the asked price] / [the settlement price] / [the official settlement price] / [the official price] / [the morning fixing] / [the afternoon fixing] / [the fixing] / [the spot price] / [the ask low] / [the ask high] / [the bid low] / [the bid high] / [*specify other*] / [Not Applicable]; (v) Price Source: [●] / [Not Applicable]; (vi) Reference Dealers: [●] / [Not Applicable]; (vii) Delivery Date: [●] / [●] Nearby Month / [Not Applicable]; (viii) Futures Contract: [●] (ix) Delivery Date Roll: [Applicable] / [Not Applicable] (x) Expiry Date Roll: [Applicable] / [Not Applicable]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Disruption Fallbacks:

(a) Delayed Publication or Announcement and Postponement: [Applicable] / [Not Applicable]

(b) Postponement: [Applicable] / [Not Applicable]

(c) Fallback Reference Dealers: [Applicable] / [Not Applicable]

(d) Calculation Agent Determination: [Applicable] / [Not Applicable]

(iv) Market Disruption Events:

(a) Price Source Disruption: [Applicable] / [Not Applicable]

(b) Trading Disruption: [Applicable] / [Not Applicable]

(c) Disappearance of Commodity Reference Price: [Applicable] / [Not Applicable]

(d) Material Change in Formula: [Applicable] / [Not Applicable]

(e) Material Change in Content: [Applicable] / [Not Applicable]

(f) Tax Disruption: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Five] / [*specify other*] Commodity Business Days

(vi) Correction of Commodity Reference Price: [Applicable] / [Not Applicable]

(vii) Correction Cut-Off Date: [As defined in Commodity and Commodity Futures Contract Linked Term 5 (*Definitions*)] / [●]

(viii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(ix) Relevant Currency: [As defined in Commodity and Commodity Futures Contract Linked Term 5 (*Definitions*)] / [*specify other*]

(x) Standard Currency: [As defined in Commodity and Commodity Futures Contract Linked Term 5 (*Definitions*)] / [*specify other*]

(xi) Common Pricing: [Applicable] / [Not Applicable]

17. Currency Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Currency Exchange Rate or a basket of Currency Exchange Rates and the identity of the relevant Currency Exchange Rate(s) (each a "**Reference Asset**"): [Single Currency Exchange Rate] / [Basket of Currency Exchange Rates]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Reference Currency(ies): [Settlement			

	Currency] / [●] (ii) Currency Exchange Rate(s): [●] expressed as the amount of [*insert currency*] per one [*insert currency*] which appears on the Screen Page Currency Price: the [high] [low] [bid] [ask] [spot] [mid] [*specify other*] price Screen Page: [●] / [Bloomberg code: [●] [or] [Reuters RIC code: [●]] OR (iii) [*Insert Settlement Rate Option*]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [●]

(iv) Market Disruption Events:

(a) General Inconvertibility: [Applicable] / [Not Applicable]

(b) General Non-Transferability: [Applicable] / [Not Applicable]

(c) Governmental Authority Default: [Applicable] / [Not Applicable]

(d) Illiquidity: [Applicable] / [Not Applicable]

(If not applicable, delete following sub-paragraphs)

- Illiquidity Value Determination Date: [●]
- Minimum Amount: [●]
- Reference Currency Notional Amount: [●]

(e) Material Change in Circumstances: [Applicable] / [Not Applicable]

(f) Nationalisation: [Applicable] / [Not Applicable]

(g) Price Source Disruption: [Applicable] / [Not Applicable]

(h) Specific Inconvertibility: [Applicable] / [Not Applicable]

(i) Specific Non-Transferability: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Eight] / [*specify other*] Currency Business Days

(vi) Correction of Currency Exchange Rate: [Applicable] / [Not Applicable]

(vii) Correction Cut-Off Date: [As defined in Currency Linked Term 4 (*Definitions*)] / [●]

(viii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not*

Applicable" for MOT-Listed Securities]

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(ix) Adjustment provisions in the event of a Disrupted Day on an Averaging Date: [Not Applicable]

[[Omission] / [Postponement] / [Modified Postponement] shall apply]

(x) Relevant Currency: [As defined in Currency Linked Term 4 (*Definitions*)] / [*specify other*]

(xi) Standard Currency: [As defined in Currency Linked Term 4 (*Definitions*)] / [*specify other*]

18. Equity Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Equity or a basket of Equities and the identity of the relevant issuer(s) of the Equity/Equities (each a "**Reference Asset**"): [Single Equity] / [Basket of Equities]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Equity: [●] (ISIN: [●]) (ii) Equity Issuer: [●] (iii) Exchange: [●] (iv) Related Exchange(s): [[●] / [All Exchanges]]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [As specified in Equity Linked Term 7 (*Definitions*)] / [●]

(iv) Potential Adjustment Events: [Applicable] / [Not Applicable]

(v) Equity Substitution: [Applicable] / [Not Applicable]

(vi) Extraordinary Events:

(a) De-listing: [Applicable] / [Not Applicable]

(b) Merger Event: [Applicable] / [Not Applicable]

(c) Nationalisation: [Applicable] / [Not Applicable]

(d) Insolvency: [Applicable] / [Not Applicable]

	(e) Tender Offer:	[Applicable] / [Not Applicable]
(vii)	Maximum Days of Disruption:	[Eight] / [*specify other*] Scheduled Trading Days
(viii)	Correction of Equity Price:	[Applicable] / [Not Applicable]
(ix)	Correction Cut-Off Date:	[As defined in Equity Linked Term 7 (*Definitions*)] / [●]
(x)	Additional Disruption Events:	
	(a) Change in Law:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(b) Hedging Disruption:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(c) Increased Cost of Hedging:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(d) Increased Cost of Stock Borrow:	[Applicable] / [Not Applicable]
	(e) Insolvency Filing:	[Applicable] / [Not Applicable]
	(f) Loss of Stock Borrow:	[Applicable] / [Not Applicable]
	(g) Relevant Currency Disruption:	Applicable
(xi)	Adjustment provisions in the event of a Disrupted Day on an Averaging Date:	[Not Applicable] [[Omission] / [Postponement] / [Modified Postponement] shall apply]
(xii)	Relevant Currency:	[As defined in Equity Linked Term 7 (*Definitions*)] / [*specify other*]
(xiii)	Standard Currency:	[As defined in Equity Linked Term 7 (*Definitions*)] / [*specify other*]
19.	Index Linked Security Provisions:	[Applicable] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Whether the Securities relate to a single Index or a basket of Indices, the identity of the relevant Index/Indices and details of the relevant index sponsors and the type of Index/Indices (each a "**Reference Asset**"):	[Single Index] / [Basket of Indices]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) [Index] / [Commodity Index]: [●] (ii) Index Sponsor: [●] (iii) Type of Index: [Single-Exchange Index] / [Multi-Exchange Index] / [Proprietary Index] / [Commodity Index] (iv) Exchange(s): [●] (v) Related Exchange(s): [●] / [All			

	Exchanges]			
2				
3				
N				

[Note: an index composed by the Issuer (or any legal entity belonging to the same group or any person or entity acting in association with or on behalf of, the Issuer) may only be a Reference Asset in relation to Securities to which the Prospectus Directive applies (and which is not exempt from the requirement to publish a prospectus under Article 3(2)) where a description of such index is already included in the base prospectus (as supplemented) in accordance with (or otherwise on the terms of) section 4.2.2 of Annex XII of the Prospectus Regulation]

(ii) Trade Date: [●]

(iii) Valuation Time: [As defined in Index Linked Term 7 (*Definitions*)] / [●]

(iv) 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: As specified below]

(If not applicable, delete following sub-paragraphs)

(a) Price Source Disruption: [Applicable] / [Not Applicable]

(b) Trading Suspension: [Applicable] / [Not Applicable]

(c) Disappearance of Price: [Applicable] / [Not Applicable]

(d) Material Change in Formula: [Applicable] / [Not Applicable]

(e) Material Change in Content: [Applicable] / [Not Applicable]

(f) Tax Disruption: [Applicable] / [Not Applicable]

(g) Trading Limitation: [Applicable] / [Not Applicable]

(h) Imposition of Limit Price: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Eight] / [Five] / [*specify other*] Scheduled Trading Days

(vi) Common Value Determination Date: [Applicable] / [Not Applicable] *(only applies to a Commodity Index and generally only where the Hybrid Terms and Common Valuation apply)*

(vii) Basket of Commodity Indices: [Applicable] / [Not Applicable] (*only applies to a basket of Commodity Indices where the first part of Index Linked Term 2 (standard position) is <u>not</u> to apply*)

(viii) Correction of Index Level: [Applicable] / [Not Applicable]

(ix) Correction Cut-Off Date: [As defined in Index Linked Term 7 (*Definitions*)] / [●]

(x) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(xi) Adjustment provisions in the event of a Disrupted Day on an Averaging Date: [Not Applicable] *(for a non-Commodity Index will be automatically applicable where there are Averaging Dates)*

[Applicable] / [Not Applicable] *(for a Commodity Index, will only be applicable if there are Averaging Dates and where the first part of Index Linked Term 2 (standard position) is not to apply)*

[[Omission] / [Postponement] / [Modified Postponement] shall apply]

(xii) Relevant Currency: [As defined in Index Linked Term 7 (*Definitions*)] / [*specify other*]

(xiii) Standard Currency: [As defined in Index Linked Term 7 (*Definitions*)] / [*specify other*]

20. Index Futures Contract Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Index Futures Contract or a basket of Index Futures Contracts and identity of the relevant Index Futures Contract(s) (each a "**Reference Asset**"): [Single Index Futures Contract] / [Basket of Index Futures Contracts]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Index Futures Contract: [●] [*Specify details of related futures contract (if any)*] (ii) Index: [●] (iii) Exchange: [●]			
2				
3				
N				

(ii)	Trade Date:	[●]
(iii)	Valuation Time:	[As defined in Index Futures Contract Linked Term 4 (*Definitions*)] / [●]
(iv)	Market Disruption Event(s):	
	(a) Price Source Disruption:	[Applicable] / [Not Applicable]
	(b) Trading Suspension:	[Applicable] / [Not Applicable]
	(c) Disappearance of Price:	[Applicable] / [Not Applicable]
	(d) Material Change in Formula:	[Applicable] / [Not Applicable]
	(e) Material Change in Content:	[Applicable] / [Not Applicable]
	(f) Tax Disruption:	[Applicable] / [Not Applicable]
	(g) Trading Limitation:	[Applicable] / [Not Applicable]
(v)	Correction of Official Settlement Price:	[Applicable] / [Not Applicable]
(vi)	Maximum Days of Disruption:	[Eight] / [*specify other*] Scheduled Trading Days
(vii)	Correction Cut-Off Date:	[As defined in Index Futures Contract Linked Term 4 (*Definitions*)] / [*specify other*] [●]
(viii)	Additional Disruption Events:	
	(a) Change in Law:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(b) Hedging Disruption:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(c) Increased Cost of Hedging:	[Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*
	(d) Relevant Currency Disruption:	Applicable
(ix)	Adjustment provisions in the event of a Disrupted Day on an Averaging Date:	[Not Applicable] [[Omission] / [Postponement] / [Modified Postponement] shall apply]
(x)	Relevant Currency:	[As defined in Index Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]
(xi)	Standard Currency:	[As defined in Index Futures Contract Linked Term 4 (*Definitions*)] [*specify other*]

21. Fund Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) The identity of the relevant Fund(s) (each a "**Reference Asset**"):

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*

1	(i) Fund: [●] (Bloomberg page: [●]) [The Fund is an exchange traded fund] (ii) Information Source: [●] (iii) Exchange: [●] (iv) Related Exchange(s): [●] / [All Exchanges] (v) Fund Share Price: [NAV] / [Trading Price] / [As defined in Fund Linked Term 5 (*Definitions*)]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [As defined in Fund Linked Term 5 (*Definitions*)] / [●]

(iv) Correction of Fund Share Price: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Eight] / [*specify other*] Scheduled Trading Days

(vi) Correction Cut-Off Date: [As defined in Fund Linked Term 5 (*Definitions*)] / [*specify other*] [●]

(vii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(viii) Relevant Currency: [As defined in Fund Linked Term 5 (*Definitions*)] / [*specify other*]

(ix) Standard Currency: [As defined in Fund Linked Term 5 (*Definitions*)] / [*specify other*]

22. Government Bond Futures Contract Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Government Bond Futures Contract or a basket of Government Bond Futures Contracts and identity of the relevant Government Bond Futures Contract(s) (each a "**Reference Asset**"): [Single Government Bond Futures Contract] / [Basket of Government Bond Futures Contracts]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*

1	(i) Government Bond Futures Contract: [●] [*Specify details of related futures contract*] (ii) Government Bond [●] (iii) Exchange: [●]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] / [●]

(iv) Market Disruption Event(s):

(a) Trading Suspension: [Applicable] / [Not Applicable]

(b) Trading Limitation: [Applicable] / [Not Applicable]

(v) Correction of Official Settlement Price: [Applicable] / [Not Applicable]

(vi) Maximum Days of Disruption: [Eight] / [*specify other*] Exchange Business Days

(vii) Correction Cut-Off Date: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] / [●]

(viii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(ix) Adjustment provisions in the event of a Disrupted Day on an Averaging Date: [Not Applicable]

[[Omission] / [Postponement] / [Modified Postponement] shall apply]

(x) Relevant Currency: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] / [*specify other*]

(xi) Standard Currency: [As defined in Government Bond Futures Contract Linked Term 4 (*Definitions*)] / [*specify other*]

23. Inflation Index Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Inflation Index or a basket of Inflation Indices and identity of the relevant Inflation Index/Indices (each a "**Reference Asset**"): [Single Inflation Index] / [Basket of Inflation Indices]

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$

(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Inflation Index: [●] (ii) Related Bond: [●] / [Not Applicable] / [Fallback Bond] / [Fallback Bond: Not Applicable] (iii) Adjustment Cut-Off Date: [As defined in Inflation Index Linked Term 3 (*Definitions*)] / [*Specify other*] (iv) Inflation Index Relevant Payment Date: [●]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Correction of Level: [Applicable] / [Not Applicable]

(iv) Maximum Days of Disruption: [Eight] / [*specify other*] Business Days

(v) Correction Cut-Off Date: [As defined in Inflation Index Linked Term 3 (*Definitions*)] / [●]

(vi) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(viii) Relevant Currency: [As defined in Inflation Index Linked Term 3 (*Definitions*)] / [*specify other*]

(ix) Standard Currency: [As defined in Inflation Index Linked Term 3 (*Definitions*)] / [*specify other*]

24. Certificate Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) Whether the Securities relate to a single Certificate or a basket of Certificates and identity of the relevant Certificate(s) (each a "**Reference Asset**"): [Single Certificate] / [Basket of Certificates]

i	**Reference Asset$_{(i)}$**	**Weighting$_{(i)}$**	**Strike Date$_{(i)}$**	**Averaging Dates$_{(i)}$ in respect of Strike Date$_{(i)}$**
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Certificate: [●] (ii) Certificate Price: [●]			

	(iii) Exchange: [●] (iv) Information Source: [●]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [●]

(iv) Potential Adjustment Event: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Eight] / [*specify other*] Exchange Business Days

(vi) Correction of Certificate Price: [Applicable] / [Not Applicable]

(vii) Correction Cut-Off Date: [As defined in Certificate Linked Term 5 (*Definitions*)] / [●]

(viii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(ix) Adjustment provisions in the event of a Disrupted Day on an Averaging Date: [Not Applicable]

[[Omission] / [Postponement] / [Modified Postponement] shall apply]

(x) Relevant Currency: [As defined in Certificate Linked Term 5 (*Definitions*)] / [*specify other*]

(xi) Standard Currency: [As defined in Certificate Linked Term 5 (*Definitions*)] / [*specify other*]

25. Reference Rate Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete remaining sub-paragraphs of this paragraph*)

(i) The identity of the relevant Reference Rate(s) (each a "**Reference Asset**"):

i	Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Repeat as necessary)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1	(i) Reference Rate: [[●] *([Bloomberg code] / [Reuters screen]: [●] / [specify other])*] / [ISDA Rate] (ii) [ISDA Definitions: [2000 Definitions] / [2006 Definitions]] (iii) [Floating Rate Option: [●]] (iv) [Designated Maturity: [●]] (v) Reset Date: [●] / [Not Applicable]			

	(vi) Fixing Sponsor: [●]			
2				
3				
N				

(ii) Trade Date: [●]

(iii) Valuation Time: [●]

(iv) Disruption Fallbacks:

(a) Fallback Reference Rate: [Applicable – [*specify*]] / [Not Applicable]

- Screen Page: [●]

(b) Fallback Reference Banks: [Applicable] / [Not Applicable]

- Reference Banks: [●]
- Designated Maturity: [●]
- Number of Business Days: [●] / [Zero]

(c) Calculation Agent Determination: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Not Applicable] [Eight] / [*specify other*] Fixing Days

(vi) Correction Cut-Off Date: [As defined in Reference Asset Linked Term 4 (*Definitions*)] / [●]

(vii) Additional Disruption Events:

(a) Change in Law: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(b) Hedging Disruption: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(c) Increased Cost of Hedging: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

(d) Relevant Currency Disruption: Applicable

(viii) Adjustment provisions in the event of a Disrupted Day on an Averaging Date: [Not Applicable]

[[Omission] / [Postponement] / [Modified Postponement] shall apply]

(ix) Relevant Currency: [As defined in Reference Rate Linked Term 4 (*Definitions*)] / [*specify other*]

(x) Standard Currency: [As defined in Reference Rate Linked Term 4 (*Definitions*)] / [*specify other*]

(xi) Correction of Reference Rate: [Applicable] / [Not Applicable]

26. Hybrid Linked Security Provisions: [Applicable] / [Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) The identity of the relevant Commodity, Currency Exchange Rate, Equity, Index,

Index Futures Contracts, Fund, Government Bond Futures Contract, Inflation Index, Certificate, Reference Rate and applicable details (each a "**Reference Asset**"):

i	Reference Asset$_{(i)}$	Type of Reference Asset$_{(i)}$	Weighting$_{(i)}$	Strike Date$_{(i)}$	Averaging Dates$_{(t)}$ in respect of Strike Date$_{(i)}$
(Reference corresponding to Reference Asset$_{(i)}$)	*(Copy information for relevant type of Reference Asset from paragraphs 16 to 25 and repeat as necessary)*	*(Commodity, Currency Exchange Rate, Equity, Index, Index Futures Contracts, Fund, Government Bond Futures Contract, Inflation Index, Certificate or Reference Rate)*	*(e.g. 15% or delete column if not applicable)*	*(Insert date or delete column if not applicable)*	*(Insert dates or delete column if not applicable)*
1					
2					
3					
N					

(ii) Trade Date: [●]

(iii) Valuation Time: [●]

(iv) Correction of Reference Value: [Applicable] / [Not Applicable]

(v) Maximum Days of Disruption: [Eight] / [Five] / [*specify other*] Scheduled Trading Days

(vi) Correction Cut-Off Date: [As defined in Hybrid Linked Term 9 (*Definitions*)] / [●]

(vii) Adjustments to Value Determination Dates – Consequences of non-Scheduled Trading Days – Valuation Dates: [Common Adjustment] / [Individual Adjustment] applicable

(viii) Adjustments to Value Determination Dates – Consequences of non-Scheduled Trading Days – Averaging Dates: [[Common Adjustment] / [Individual Adjustment] applicable] / [Not Applicable]

(ix) Adjustments to Value Determination Dates – Consequences of Disrupted Days – Valuation Dates: [Common Valuation] / [Individual Valuation] applicable

(x) Adjustments to Value Determination Dates – Consequences of Disrupted Days – Averaging Dates: [Not Applicable]

[[Omission] / [Postponement – Common Valuation] / [Postponement – Individual Valuation] / [Modified Postponement – Common Valuation] / [Modified Postponement – Individual Valuation] shall apply]

(xi) Provisions related to [●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms*

	Commodities:	*here)*
(xii)	Provisions related to Currency Exchange Rates:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xiii)	Provisions related to Equities:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xiv)	Provisions related to Indices:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xv)	Provisions related to Index Futures Contracts:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xvi)	Provisions related to Funds:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xvii)	Provisions related to Government Bond Futures Contracts:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xviii)	Provisions related to Inflation Indices:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xix)	Provisions related to Certificates:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*
(xx)	Provisions related to Reference Rates:	[●] *(Copy Additional Disruption Events and other relevant items from other parts of the Final Terms here)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

27.	Fixed Rate Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Fixed Interest Commencement Date:	[Issue Date] / [●] / [the Interest Period Date scheduled to fall on [●]]
	(ii)	Rate of Interest:	[●] per cent. [per annum] payable in arrear on [each] / [the] Interest Payment Date(s) [falling [in] / [on] [●]]
	(iii)	Interest Payment Date(s):	[●] [in each year] [subject to adjustment in accordance with the Business Day Convention]
	(iv)	Interest Period:	[Adjusted] / [Unadjusted]
	(v)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(vi)	Fixed Coupon Amount[(s)]:	[Not Applicable] / [[●] per Calculation Amount payable on [each] / [the] Interest Payment Date(s) [falling [in] / [on] [●]]]
	(vii)	Broken Amount(s):	[Not Applicable] / [[●] per Calculation Amount payable on the Interest Payment Date falling [in] /

			[on] [●]]
	(viii)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(ix)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(x)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
28.	Floating Rate Security Provisions:		[Applicable] / [Not Applicable] / [Not Applicable save for Interest Payout Term 2(g) (*Business Day Convention*) and related definitions] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Floating Interest Commencement Date:	[Issue Date] / [●] / [the Interest Period Date scheduled to fall on [●]]
	(ii)	Interest Payment Date(s):	[●] [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] [*Note: this section is applicable where any date in these Final Terms is "subject to adjustment in accordance with the Business Day Convention*"]
	(vi)	Relevant Rate:	[[●] *([Bloomberg code] / [Reuters screen]: [●] [specify other]*)] / [ISDA Rate] (*Include the following sub-paragraphs if ISDA Rate is specified; otherwise delete)*
		(a) ISDA Definitions:	[2000 Definitions] / [2006 Definitions]
		(b) Floating Rate Option:	[●]
		(c) Designated Maturity:	[●]
	(vii)	Reset Date:	[●] / [*specify method of determining Reset Date*] / [Not Applicable]
	(viii)	Spread:	[+] / [-] [●] per cent. per annum
	(ix)	Minimum Rate of Interest:	[Not Applicable] [[●] per cent. per annum]
	(x)	Maximum Rate of Interest:	[Not Applicable] [[●] per cent. per annum]
	(xi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]

	(xii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
	(xiii)	Participation:	[100%] [[●] (*specify*)]
29.	Commodity Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
30.	Currency Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
31.	Equity Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
32.	Index Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day

			Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
33.	Index Futures Contract Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
34.	Fund Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business

			Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
35.	Government Bond Futures Contract Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
36.	Inflation Index Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]

	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
37.	Certificate Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
38.	Reference Rate Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]

	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
39.	Hybrid Linked Interest Securities:		[Applicable] / [Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
	(i)	Provisions for determining Rate of Interest and/or Interest Amount:	An amount determined in accordance with Interest Payout Term 3(c) (*Interest Amount*). See options selected in accordance with paragraph 40 below
	(ii)	Interest Payment Date(s):	The dates specified in the table(s) below in the column(s) headed "Interest Payment Date$_{(t)}$" [subject to adjustment in accordance with the Business Day Convention]
	(iii)	Interest Period:	[Adjusted] / [Unadjusted]
	(iv)	Interest Period Date(s):	[Interest Payment Date(s)] / [●]
	(v)	Business Day Convention:	[Floating Rate Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
	(vi)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA][1]
	(vii)	[Determination Dates:	[Interest Payment Dates] [[●] in each year] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA); delete if not applicable*)]
40.	Interest provisions relating to determination of the Interest Amount in accordance with Interest Payout Term 3(c) (*Interest Amount*):		[Applicable] / [Not Applicable] *(If not applicable, delete remaining sub-paragraphs of this paragraph)*
	(i)	Reference Asset Linked Interest Commencement Date:	[Issue Date] / [●] / [the Interest Period Date scheduled to fall on [●]]
	(ii)	Interest Option Mechanism:	[European Interest Option] [American Interest Option] [Reference Asset Performance Rate + Spread Interest Option] [Range Accrual Interest Option]

(iii)		[Interest Barrier Event Mechanism:	[Applicable] / [Not Applicable] (*If not applicable, delete the options immediately below and paragraph (iv)*) [Greater than Barrier – Single] [Less than Barrier – Single] [Collar Barrier]]
(iv)	(a)	[Interest Barrier Event Performance Mechanism(s):	Reference Asset Performance Mechanism: [Aggregate] [Worst Of] [Best Of] [Best Of Replacement] [Lock-in] [Individual Performance] [Individual Return] [Individual Reverse Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%] [Constituent Performance Mechanism: [Individual Performance] [Individual Return] [Individual Reverse Return] [Weighted Individual Performance] [Weighted Individual Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%]] ["**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)* ["**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*
	(b)	Reference Value$_{(i,t-1)}$:	[Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]
	(c)	Strike Value$_{(i)}$:	[Reference Asset Determination] [[●][%]] [Not Applicable]
	(d)	Interest Barrier Event Constituent Performance Rate Cap$_{(i)}$:	[●] / [Not Applicable]
	(e)	Interest Barrier Event Constituent Performance Rate Floor$_{(i)}$:	[●] / [Not Applicable]]
(v)	(a)	Interest Performance Mechanism(s):	[Applicable] / [Not Applicable] *(If not applicable, delete the options immediately below and remaining sub-paragraphs of this paragraph)* [Reference Asset Performance Mechanism: [Aggregate] [Worst Of] [Best Of] [Best Of Replacement] [Lock-in] [Individual Performance] [Individual Return]

[Individual Reverse Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]]

[Constituent Performance Mechanism:
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Weighted Individual Performance]
[Weighted Individual Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]]

[Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)*

[Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*

(b) Reference Value$_{(i,t-1)}$: [Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]

(c) Strike Value$_{(i)}$: [Reference Asset Determination] [[●][%]] [Not Applicable]

(vi) Reference Asset Performance Rate Cap: [●] / [Not Applicable]

(vii) Reference Asset Performance Rate Floor: [●] / [Not Applicable]

(viii) Constituent Performance Rate Cap$_{(i)}$: [●] / [Not Applicable]

(ix) Constituent Performance Rate Floor$_{(i)}$: [●] / [Not Applicable]

(x) Participation: [Not Applicable]

[100%] [[●] (*specify*)]

Table for determining Barrier Events (Interest Barrier Level applied at Reference Asset$_{(i)}$ level):

t	i	Averaging Dates$_{(t)}$ in respect of Interest Observation Dates$_{(t)}$	Interest Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Valuation Date(s)$_{(t)}$ / Averaging Date$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Barrier Level$_{(t)}$ (M=1) (*Delete for Collar*)			Interest Barrier Level Upper$_{(t)}$ (M) (*Collar only*)			Interest Barrier Level Lower$_{(t)}$ (M) (*Collar only*)		
						M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Specified Interest Date$_{(t)}$)	*Reference corresponding to Reference Asset$_{(i)}$)*	*(Insert date(s) if applicable)*	*(Insert date(s) or period)*	*(Insert date(s))*	*(Insert date)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*e.g. 0.8)*	*(e.g. 1.0)*
1	1													
2	1													
3	1													
	…													
1	N													
2	N													
3	N													

Table for determining Barrier Events (Interest Barrier Level applied at basket of Reference Asset$_{(i)}$ level):

t	Averaging Dates$_{(t)}$ in respect of Interest Observation Dates$_{(t)}$	Interest Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Valuation Date(s)$_{(t)}$ / Averaging Date$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Barrier Level$_{(t)}$ (M=1) (*Delete for Collar*)			Interest Barrier Level Upper$_{(t)}$ (M) (*Collar only*)			Interest Barrier Level Lower$_{(t)}$ (M) (*Collar only*)		
					M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Specified Interest Date$_{(t)}$)	*(Insert date(s) if applicable)*	*(Insert date(s) or period)*	*(Insert date(s))*	*(Insert date)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*
1													
2													
3													

Table for determining Interest Values:

t	Averaging Dates$_{(t)}$ in respect of Interest Observation Dates$_{(t)}$	Interest Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Valuation Date(s)$_{(t)}$/Averaging Date$_{(t)}$ in respect of Interest Payment Date$_{(t)}$	Interest Payment Date$_{(t)}$	Interest Value$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Interest Value Null$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Spread$_{(t)}$ *(Insert percentage(s) if applicable)*
					M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	
(Reference corresponding to Specified Interest Date$_{(t)}$)	*(Insert date(s) if applicable)*	*(Insert date(s) or period)*	*(Insert date(s))*	*(Insert date)*	*(e.g. 3%)*	*(e.g. 4%)*	*(e.g. 5%)*	*(e.g. 3%)*	*e.g. 4%)*	*(e.g. 5%)*	*(e.g. 5%)*
1											
2											
3											

41. Zero Coupon Security Provisions: [Applicable] / [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

42. Final Redemption Amount of each Security: [Redemption at par] [[●] per Calculation Amount (being equal to the product of the Calculation Amount and [●]% (the "**Percentage**"))] [Reference Asset linked redemption applicable – see paragraph [●] below]

(Where Securities are Commodity Linked Redemption Securities, Currency Linked Redemption Securities, Equity Linked Redemption Securities, Index Linked Redemption Securities, Index Futures Contract Linked Redemption Securities, Fund Linked Redemption Securities, Government Bond Futures Contract Linked Redemption Securities, Inflation Index Linked Redemption Securities, Certificate Linked Redemption Securities, Reference Rate Linked Redemption Securities or Hybrid Linked Redemption Securities, specify "Reference Asset linked redemption applicable – see paragraph [●] below" and complete paragraph 43 (Commodity Linked Redemption Securities) to 53 (Hybrid Linked Redemption Securities) below as applicable.)

(N.B. If the Final Redemption Amount of each Security is other than 100 per cent. of the Security's nominal value, the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply.)

43. Commodity Linked Redemption Securities: [Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not

		Applicable]
44.	Currency Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
45.	Equity Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
46.	Index Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
47.	Index Futures Contract Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
48.	Fund Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
49.	Government Bond Futures Contract Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
50.	Inflation Index Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
51.	Certificate Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
52.	Reference Rate Linked Redemption Securities:	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
53.	Hybrid Linked Redemption Securities	[Applicable [for the purposes of determination of the [*insert relevant mechanism(s)*]]] / [Not Applicable]
54.	Final Redemption Amount provisions relating to determination of the Final Redemption Amount in accordance with Final Redemption Payout Term 2(b):	[Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Final Redemption Amount Mechanism:	[No FX Translation] [FX Translation]
	(ii) Valuation Date$_{(t)}$ / Averaging Dates$_{(t)}$:	[[●] (*specify*)] in respect of the Maturity Date

(insert table below where the Securities are linked to only one Reference Asset and the applicable Reference Asset Performance is "Lock-In"; otherwise delete)

date$_{(t)}$	Valuation Date$_{(t)}$	Averaging Dates$_{(t)}$ in respect of date$_{(t)}$
(list relevant dates up to, but excluding, Maturity Date)	*(Insert date if applicable)*	*(Insert date(s) if applicable)*
Maturity Date		

	(iii) FX Valuation Time:	[Not Applicable] / [●]
	(iv) FX Price Source:	[Not Applicable] / [WM Company] / [Reuters] / [Bloomberg] / [*other*]
	(v) Participation:	[100%] [[●] (*specify*)]

(vi)	Redemption Percentage Mechanism:		[Specified Percentage] [Knock-In Determination] (*Unless Knock-In Determination is applicable, delete sub-paragraphs (viii) to (x) below*)
(vii)	Specified Redemption Percentage:		[100%] [[●] (*specify*)]
[(viii)	Knock-In Event Mechanism:		[American DIP] [European DIP]]
[(ix)	(a)	Knock-In Event Performance Mechanism(s):	Reference Asset Performance Mechanism: [Aggregate] [Worst Of] [Best Of] [Best Of Replacement] [Lock-in] [Individual Performance] [Individual Return] [Individual Reverse Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%] [Constituent Performance Mechanism: [Individual Performance] [Individual Return] [Individual Reverse Return] [Weighted Individual Performance] [Weighted Individual Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%]] [Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)* [Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*
	(b)	Reference Value$_{(i,t-1)}$:	[Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]
	(c)	Strike Value$_{(i)}$:	[Reference Asset Determination] [[●][%]] [Not Applicable]]
	(d)	Knock-In Event Constituent Performance Rate Cap$_{(i)}$:	[●] / [Not Applicable]
	(e)	Knock-In Event Constituent Performance Rate Floor$_{(i)}$:	[●] / [Not Applicable]]

t	Knock-In Observation Date(s)$_{(t)}$/Period$_{(t)}$	Averaging Dates$_{(t)}$ in respect of Knock-In Observation Date(s)$_{(t)}$	Knock-In Level$_{(t)}$
(Reference corresponding Knock-in Observation Date(s)$_{(t)}$)	*(Insert date(s) or period)*	*(Insert date(s) if applicable)*	*(e.g. 0.8)*
1			
2			
3			
N			

[(x) (a) DIP Performance Mechanism(s): Reference Asset Performance Mechanism:

[Aggregate]
[Worst Of]
[Best Of]
[Best Of Replacement]
[Lock-in]
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]

[Constituent Performance Mechanism:
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Weighted Individual Performance]
[Weighted Individual Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]]

[Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)*

[Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*

(b) Reference Value$_{(i,t-1)}$: [Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]

(c) Strike Value$_{(i)}$: [Reference Asset Determination] [[●][%]] [Not Applicable]

(d) DIP Performance Cap: [●]/ [Not Applicable]

(e) DIP Performance Floor: [●] / [Not Applicable]

(f) DIP Constituent Performance Cap$_{(i)}$: [●] / [Not Applicable]

(g) DIP Constituent Performance Floor$_{(i)}$: [●] / [Not Applicable]]

(xi) (a) Final Redemption Performance Reference Asset Performance Mechanism:

		Mechanism(s):	[Aggregate] [Worst Of] [Best Of] [Best Of Replacement] [Lock-in] [Individual Performance] [Individual Return] [Individual Reverse Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%] [Constituent Performance Mechanism: [Individual Performance] [Individual Return] [Individual Reverse Return] [Weighted Individual Performance] [Weighted Individual Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%]] [Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)* [Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*
	(b)	Reference Value$_{(i,t-1)}$:	[Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]
	(c)	Strike Value$_{(i)}$:	[Reference Asset Determination] [[●][%]] [Not Applicable]
(xii)	Final Redemption Reference Asset Performance Cap:		[●] / [Not Applicable]
(xiii)	Final Redemption Reference Asset Performance Floor:		[[●] / [Not Applicable]
(xiv)	Final Redemption Constituent Performance Cap$_{(i)}$:		[[●] / [Not Applicable]
(xv)	Final Redemption Constituent Performance Floor$_{(i)}$:		[[●] / [Not Applicable]

PROVISIONS RELATING TO AUTOCALL REDEMPTION

55.	Autocall Redemption:	[Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Redemption Percentage Mechanism:	[Specified Percentage]

			[Knock-In Determination] (*Unless Knock-In Determination is applicable, delete sub-paragraphs (iii) to (v) below*)
(ii)	Specified Redemption Percentage:		[100%] [[●] (*specify*)]
[(iii)	Autocall Redemption Percentage:		[100 / [●] (*specify*)]%]
[(iv)	Knock-In Event Mechanism:		[American DIP] [European DIP]]
[(v)	(a)	Knock-In Event Performance Mechanism(s):	Reference Asset Performance Mechanism: [Aggregate] [Worst Of] [Best Of] [Best Of Replacement] [Lock-in] [Individual Performance] [Individual Return] [Individual Reverse Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%] [Constituent Performance Mechanism: [Individual Performance] [Individual Return] [Individual Reverse Return] [Weighted Individual Performance] [Weighted Individual Return] [Replacement Return] [Rate] [Specified, where the relevant percentage is [●]%]] [Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)* [Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*]
	(b)	Reference Value$_{(i,t-1)}$:	[Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]
	(c)	Strike Value$_{(i)}$:	[Reference Asset Determination] [[●][%]] [Not Applicable]]
	(d)	Knock-In Event Constituent Performance Rate Cap$_{(i)}$:	[●] / [Not Applicable]
	(e)	Knock-In Event Constituent Performance Rate Floor$_{(i)}$:	[●] / [Not Applicable]]

t	Knock-In Observation Date(s)$_{(t)}$/Period$_{(t)}$	Averaging Dates$_{(t)}$ in respect of Knock-In Observation Date(s)$_{(t)}$	Knock-In Level$_{(t)}$
(Reference corresponding Knock-in Observation Date(s)$_{(t)}$)	*(Insert date(s) or period)*	*(Insert dates if applicable)*	*(e.g. 0.8)*
1			
2			
3			
N			

(vi) Autocall Redemption Option Mechanism:

[Autocall Redemption Value]

[Autocall Redemption Reference Asset Performance

Where "**Participation**" means [100 / [●] (*specify*)]%]

(vii) Autocall Redemption Trigger Event Mechanism:

[Greater than Barrier – Single]
[Less than Barrier – Single]
[Collar Barrier]

Where "**X**" equals [one] / [●]

(viii) (a) Autocall Redemption Trigger Event Performance Mechanism(s):

Reference Asset Performance Mechanism:
[Aggregate]
[Worst Of]
[Best Of]
[Best Of Replacement]
[Lock-in]
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]

[Constituent Performance Mechanism:
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Weighted Individual Performance]
[Weighted Individual Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]]

[Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)*

[Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*

(b) Reference Value$_{(i,t-1)}$:

[Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]

(c) Strike Value$_{(i)}$:

[Reference Asset Determination] [[●][%]] [Not Applicable]

[(ix) (a) Autocall Redemption Performance

(If not applicable, delete this sub-paragraph and sub-paragraphs (x) - (xiii) of this paragraph)

Reference Asset Performance Mechanism:

Mechanism(s): [Aggregate]
[Worst Of]
[Best Of]
[Best Of Replacement]
[Lock-in]
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]

[Constituent Performance Mechanism:
[Individual Performance]
[Individual Return]
[Individual Reverse Return]
[Weighted Individual Performance]
[Weighted Individual Return]
[Replacement Return]
[Rate]
[Specified, where the relevant percentage is [●]%]]

[Where "**Best Of Replacement Amount**" means [●]] *(Include where Best Of Replacement is applicable)*

[Where "**Replacement Return Amount**" means [●]] *(Include where Replacement Return is applicable)*

(b) Reference Value$_{(i,t-1)}$: [Reference Asset Determination [in respect of [●]]] [Strike Value$_{(i)}$ [in respect of [●]]] [Not Applicable]

(c) Strike Value$_{(i)}$: [Reference Asset Determination] [[●][%]] [Not Applicable]]

[(x) Autocall Redemption Reference Asset Performance Cap: [●] / [Not Applicable]]

[(xi) Autocall Redemption Reference Asset Performance Floor: [●] / [Not Applicable]]

[(xii) Autocall Redemption Constituent Performance Cap$_{(i)}$: [●] / [Not Applicable]]

[(xiii) Autocall Redemption Constituent Performance Floor$_{(i)}$: [●] / [Not Applicable]]

Table for determining Autocall Redemption Trigger Events (Autocall Redemption Trigger Level applied at Reference Asset$_{(i)}$ level):

t	i	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Date(s)$_{(t)}$/ Periods$_{(t)}$	Autocall Redemption Trigger Level$_{(t)}$ (M=1) (*Delete for Collar*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Upper$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Lower$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*		
				M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Autocall	*(Reference corresponding to Reference*	*(Insert date(s) if applicable)*	*(Insert date(s) or period) [Note: if*	*(e.g. 0.8)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*

Redemption Trigger Date$_{(t)}$)	*Asset$_{(t)}$)*	*[Note: if applicable, include Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*applicable, include Valuation Date($_t$)/period ending on Valuation Date$_{(t)}$ in respect of the Maturity Date]*									
1	1											
2	1											
3	1											
1	N											
2	N											
3	N											

Table for determining Autocall Redemption Trigger Events (Autocall Redemption Trigger Level applied at basket of Reference Asset$_{(i)}$ level):

t	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Date(s)$_{(t)}$ / Periods$_{(t)}$	Autocall Redemption Trigger Level$_{(t)}$ (M=1) (*Delete for Collar*) *[Note: if applicable, include trigger level for Valuation Date(t) in respect of the Maturity Date]*			Autocall Redemption Trigger Level Upper$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date$_{(t)}$ in respect of the Maturity Date]*			Autocall Redemption Trigger Level Lower$_{(t)}$ (M) (*Collar only*) *[Note: if applicable, include trigger level for Valuation Date($_t$) in respect of the Maturity Date]*		
			M=1	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**	**M=1**	**M=2**	**M=N**
(Reference corresponding to Autocall Redemption Trigger Date$_{(t)}$)	*(Insert date(s) if applicable) [Note: if applicable, include Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) or period) [Note: if applicable, include Valuation Date($_t$)/period ending on Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(e.g. 0.8)*	*(e.g.1.0)*	*(e.g.1.2)*	*(e.g. 0.8)*	*(e.g. 1.0)*	*(e.g. 1.2)*	*(e.g. 0.6)*	*(e.g. 0.8)*	*(e.g. 1.0)*
1											
2											
3											
N											

Table for determining Autocall Redemption Values:

t	Averaging Dates$_{(t)}$ in respect of Autocall Redemption Observation Dates$_{(t)}$	Autocall Redemption Observation Dates$_{(t)}$ /Periods$_{(t)}$	Valuation Date(s)$_{(t)}$ /Averaging Dates$_{(t)}$ in respect of Potential Autocall Redemption Trigger Date$_{(t)}$	Potential Autocall Redemption Trigger Date$_{(t)}$	Autocall Redemption Value$_{(t)}$ (M) *(Insert percentage(s) if applicable)*			Spread$_{(t)}$ *(Insert percentage(s) if applicable)*
					M=1	**M=2**	**M=N**	
(Reference corresponding to Potential Autocall Redemption Trigger Date$_{(t)}$)	*(Insert date(s) if applicable) [Note: if applicable, include Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) or period) [Note: if applicable, include Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(Insert date(s) if applicable) [Note: if applicable, include Valuation Date$_{(t)}$ in respect of the Maturity Date]*	*(Insert date) [Note: if applicable, include Valuation Date$_{(t)}$/ Averaging Dates$_{(t)}$ in respect of the Maturity Date]*	*(e.g. 3%)*	*(e.g. 4%)*	*(e.g. 5%)*	*(e.g. 4%)*
1								
2								
3								
N								

ASSET TERMS, PAYOUT TERMS AND ADDITIONAL CONDITIONS

56. Payment Disruption: [Applicable] / [Not Applicable]

57. Early termination for illiquidity: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

58. Deduction for Hedge Costs: [Applicable] / [Not Applicable] *[Note: Insert "Not Applicable" for MOT-Listed Securities]*

59. Additional CNY Terms: [Applicable] / [Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) CNY Financial Centre: [Hong Kong] / [*specify other*]

(ii) CNY Currency Event: [Applicable] / [Not Applicable]

(iii)	Alternate Currency:	[USD] / [Euro] / [*specify other*]
(iv)	Relevant Number of CNY Business Days:	[●] Business Days

GENERAL PROVISIONS APPLICABLE TO THE NOTES

60.	Form of 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)*
61.	Additional Financial Centre(s):	[Not Applicable] / [*give details*] *(Note that this paragraph relates to the date and place of payment, and not interest period dates, to which Additional Business Centre(s) relates])*
62.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Not Applicable] [No] [Yes *(Note: where the Securities have more than 27 coupon payments, talons will be required if, on exchange into definitive form, more than 27 coupons payments are left)*]
63.	Agents:	
(i)	Calculation Agent:	[The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] / [*specify other - insert name and address of such entity*]
(ii)	[Issuing and Paying Agent:	[The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] / [*specify other*]] (*if not applicable, delete this sub-paragraph*)
(iii)	Paying Agent:	[The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] / [*specify other*]
(iv)	[Registrar:	[In respect of Securities cleared through CREST, [Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS13 8AE, England] / [*specify other*]] (*if not applicable, delete this sub-paragraph*)
(v)	Clearing Agent(s) and Relevant Clearing System(s):	[Clearstream Banking AG] [Euroclear Netherlands] [Euroclear France of 115 rue Réaumur, 75002 Paris F - 75081 Paris - CEDEX 02] [Euroclear Bank S.A./N.V. as operator of the Euroclear system] [Clearstream Banking, société anonyme] [SIX SIS Ltd] [Euroclear UK and Ireland Limited ("CREST")]

		[Euroclear Sweden] [Euroclear Finland] [Monte Titoli] [*specify other - specify name(s) and address(es)*]
	(vi) Principal Agent:	[The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] / [*specify other*]
	(vii) [Agent(s):	[Citibank International Plc, Netherlands Branch, Global Transaction Services, Hoge Mosten 2, 4822 NH Breda, The Netherlands] / [*specify other*]] *(If no additional agent(s), delete this sub-paragraph)*
	(viii) [Swiss Agent:	[The Royal Bank of Scotland plc, Edinburgh, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland, acting through its specified office] / [*specify other*]] *(If no Swiss Agent, delete this sub-paragraph)*
64.	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).]*

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing:	[Application [will be] / [has been] made for the Securities to be listed on [NYSE Euronext Amsterdam] / [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.] / [Application [will be] / [has been] made for the Securities to be admitted to the official list of Borsa Italiana S.p.A.]
Listing Date:	[●]
Admission to trading:	[Application [will be] / [has been] made for the Securities to be admitted to trading on [NYSE Euronext Amsterdam] / [the Euro MTF 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.] / [Application has been made for the Securities to be admitted to trading on the electronic bond market (MOT - *Mercato Telematico delle Obbligazioni*) organised and managed by Borsa Italiana S.p.A.] [No application for admission to trading has been made] [*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 [NYSE Euronext Amsterdam] [the Euro MTF Market of the Luxembourg Stock Exchange] [*exchange*].] [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 [NYSE Euronext Amsterdam] / [*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).]

2. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

[*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save for the Issuer in its separate capacities as Issuer and Calculation Agent – see [include for Reference Asset Linked Securities: risk factor 3(h)(Actions taken by the Calculation Agent may have a negative impact on the value of the Securities) and] risk factor 6 (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/offer] of the Securities has an interest material to the [issue/offer]."] (Amend as appropriate if there are other interests.)

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

3. **[YIELD (*Fixed Rate Securities only; otherwise delete)***

Indication of yield: [●]]

4. **[HISTORIC INTEREST RATES *(Floating Rate Securities only; otherwise delete)***

Details of historic [Rate Option] rates can be obtained from [●].]

5. **[Reference Asset Linked Securities only – PERFORMANCE OF INDEX / FORMULA / OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ASSETS***

[*Need to include details of where past and future performance and volatility of the Reference Asset(s)/formula/other variable can be obtained. For MOT-Listed Securities, ensure the following details are included: Reuters/Bloomberg page (if not indicated elsewhere in the relevant Final Terms), an Italian newspaper and, if available, a website.]*

[*Where a Reference Asset is an index not composed by the Issuer, any legal entity belonging to the same group as the Issuer or (unless the base prospectus contains the prescribed statements from section 4.2.2 of Annex XII of the Prospectus Regulation) any person or entity acting in association with or on behalf of, the Issuer, need to include details of where the information about the index can be obtained. Note: an index composed by the Issuer (or any legal entity belonging to the same group or any person or entity acting in association with or on behalf of, the Issuer) may only be a Reference Asset in relation to Securities to which the Prospectus Directive applies (and which is not exempt from the requirement to publish a prospectus under Article 3(2)) where a description of such index is already included in the*

base prospectus (as supplemented) in accordance with (or otherwise on the terms of) section 4.2.2 of Annex XII of the Prospectus Regulation.]

[*Where a Reference Asset is an equity, need to include details of the name of equity issuer, the identification number of the equity, where pricing information about the equity can be obtained.*]

[*Where a Reference Asset is an interest rate, need to include a description of such rate.*]

[*Include equivalent information for other classes of Reference Asset, as required by Paragraph 4.2 (Category C only) of Annex XII of the Prospectus Regulation.*]

[*Where there is a basket of Reference Assets, give details of weighting of each Reference Asset within the basket.*]

[(*When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive*)]

* *Required for derivative securities to which Annex XII to the Prospectus Regulation applies.*]

6.	**OPERATIONAL INFORMATION**	
	[ISIN Code:	[●]]
	[Common Code:	[●]]
	[WKN:	[●]]
	[Valoren:	[●]]
	Delivery:	Delivery [against] / [free of] payment
7.	**DISTRIBUTION**	
	Method of Distribution:	[Syndicated] / [Non-syndicated] *(Include sub-paragraphs (A) to (C) below if syndicated; otherwise delete)*
	[(A) Names and addresses of Managers and underwriting commitments:	[*specify names, addresses and underwriting commitments*]
	(B) Date of [Subscription] Agreement:	[●]
	(C) Stabilising Manager(s) (if any):	[*specify name(s)*]]
	[Name and address of Dealer:	[The Royal Bank of Scotland plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom] [, acting through its Amsterdam branch] / [*specify other – specify name and address*]] *(Include if non-syndicated; otherwise delete)*
8.	**[TERMS AND CONDITIONS OF THE 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 Base 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*]
A 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 of date and include one of the following options:* [By insertion in [*give details of one or more newspapers*]] / [In printed form to be made available at [[*insert details of the offices of the market on which the Securities are being admitted to trading*] / [36 St Andrew Square, Edinburgh, EH2 2YB, Scotland and at [*specify the offices of the financial intermediaries placing or selling the Securities*]]] / [In electronic form on [[*insert the Issuer's website or the website of the financial intermediaries placing or selling the Securities*] / [*insert the website of the regulated market where admission to trading is sought*] / [*insert the website of the competent authority*]]] (*Note: Insert "Not Applicable" unless there is Article 8 PD omitted information, e.g. the final offer price and/or the total amount of securities to be offered to the public, to be included at a later date. Otherwise specify where such Article 8 PD omitted information shall be published*)]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] / [*give details*]
Whether tranche(s) have been reserved for different 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:	[None] / [*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 these Final Terms).]

[Not applicable; the Issuer does not consent to the use of the Base Prospectus by any person other than a Dealer.]]

SUMMARY

[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]

ITALIAN ANNEX

These Final Terms, the Base Prospectus (as defined below), as supplemented from time to time and any additional information with regard to [insert securities product name] shall be published on the Issuer's website: www.rbsbank.it/markets.

ADDITIONAL INFORMATION

(a) Name of relevant third party distributor(s): The Securities shall be placed/offered in Italy through [*insert distributor name*] on behalf of The Royal Bank of Scotland plc (the "**Responsabile del Collocamento**") and through any other bank which The Royal Bank of Scotland plc might appoint and indicate on the website www.rbsbank.it/markets.

(b) Taxation: Investors should read the information under "Italy" in the section entitled "Taxation" in the Base Prospectus for a description of certain aspects of Italian tax relating to the Securities.

(c) Minimum trading size: [1 Security] / [*specify other*].

(d) The Issue Price may be subdivided, from a financial viewpoint, in the component shown here below, as referred to at [*insert relevant date*]. [During the Offer Period] / [Before the Issue Date] the value of such components might change as a consequence of variations in the market conditions, save that (i) the Issue Price will in all cases be equal to [*insert issue price*] including the fees shown here below and (ii) the below placement fee will in all cases be fixed up to a maximum value of [*insert percentage*] of the Issue Price:

Issue Price: [*insert issue price*]

Value of the derivative component: [*insert percentage of issue price*]

Structuring fees: [*insert percentage of issue price*]

Placement fees: [*insert percentage of issue price*]

SWISS ANNEX

[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] / [*specify other*]
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] / [*specify other*]
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] / [*specify other*]
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 http://www.six-exchange-regulation.com/publications/communiques/official_notices_en.html.
Issue Size of Series or Number of Securities:	[●]
Interest Ex-Date (in case of interest component):	[●] / [Not Applicable]

[Information on the Reference Asset(s):	[●]] *(Include any information required under section 4 of Scheme F (Derivatives) (see http://www.six-exchange-regulation.com/admission_manual/04_08-SCHF_en.pdf for further details) that is not included elsewhere in the Final Terms; otherwise delete)*

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.

FORM OF THE SECURITIES

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

Temporary Global Securities

Each temporary Global Security in bearer form will be exchangeable on or after its Exchange Date (as defined below), at the request of the Holder:

(a) if such temporary 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, in whole but not in part only, at the request of the bearer of such temporary Global Security, for Definitive Securities in bearer form (as defined below);

(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 temporary Global Security submitted for

exchange by the Holder, in whole but not in part only, at the request of the bearer of such temporary Global Security, for Definitive Securities in bearer form (as defined below); or

(c) free of charge to such Holder, in whole or from time to time in part, for interests in a permanent Global Security in bearer form,

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.

Permanent Global Securities

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 (a) in the case of a temporary Global Security exchangeable for a permanent Global Security, deliver, or procure the delivery of, a permanent Global Security in an aggregate nominal amount or unit quantity equal to that of the whole or that part of a temporary Global Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Security to reflect such exchange or (b) 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 (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Security). 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 temporary Global Security in bearer form, the first day following the expiry of 40 days after the Issue Date and, in relation to a permanent Global Security in bearer form, 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 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 entitled "Clearing Agents" for information on the Clearing Agents.

Securities cleared through CREST

Dematerialised Securities may be issued that are cleared through CREST that will be (a) participating securities and (b) uncertificated securities in accordance with the Uncertificated Securities Regulations 2001 (SI. No. 3755) as amended, supplemented or replaced from time to time (the "**Regulations**"). In the case of Securities cleared through CREST, title to the Securities is recorded on the relevant Operator register of corporate securities (as defined in the Regulations). The Registrar on behalf of the Issuer will maintain a register of such Securities recorded on the relevant Operator register of corporate securities (the "**Register**") and shall procure that the Register is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator and the Regulations. Please see the applicable General Terms, the applicable Additional Terms (if any) and Final Terms for further information on Securities cleared through CREST.

CLEARING AGENTS

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 Netherlands 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.

Monte Titoli

Monte Titoli S.p.A. ("**Monte Titoli**") is a centralised securities depository based in Italy, with registered office in 20123 Milan, Piazza degli Affari 6 (subject to change). Monte Titoli is a member of the London Stock Exchange Group. Monte Titoli provides a wide range of services relating to securities, including custody, administration, clearance, settlement, asset servicing and collateral management. Securities listed on the electronic bond market of Borsa Italiana S.p.A. (MOT - *Mercato Telematico delle Obbligazioni*) and other Italian regulated markets must be cleared through Monte

Titoli on a centralised and dematerialised basis. The Securities shall be booked with accounts (a "**Monte Titoli Account**") held by an entity participating in the Monte Titoli system (financial intermediaries, banks, brokers and other authorised entities pursuant to the rules and regulations relating to Monte Titoli). The entity shown as the holder of a Monte Titoli Account in the records produced by Monte Titoli shall be treated as the only entity entitled to the Securities booked therein and shall be therefore vested with all rights attached to those Securities (such an entity being a "**Holder**"). A Holder may also hold Securities on behalf of its customers, in which case an account shall be opened between the Holder and its customers to show a book-entry relating to those Securities. For further information, please note the Terms and Conditions of Securities cleared via Monte Titoli. Additional information regarding Monte Titoli is available at http://www.montetitoli.it.

Euroclear France

Euroclear France holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its respective account holders. Euroclear France customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

TAXATION

ALL INVESTORS (INCLUDING NON-U.S. INVESTORS) ARE URGED TO READ RISK FACTOR 1(K) (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 1(L) (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 interest is payable on the Securities or 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 and Stamp Duty Reserve Tax ("SDRT")

For the purposes of the following paragraphs, it has been assumed that the Securities constitute loan capital for the purposes of section 78 Finance Act 1986 ("**FA 1986**") and stock and/or loan capital for the purposes of section 99(3) FA 1986 ("**Loan Capital**"). A Security should be Loan Capital if the Holder has a right in all circumstances to be paid on redemption an amount equal to substantially all of the amount subscribed for the Security, either with or

without any additional amount that may be payable on redemption. In addition, it is likely that HMRC would regard a Security as Loan Capital even if there is no guarantee that the holder will receive on redemption an amount equal to all or substantially all of the amount subscribed for the Security. This will, however, depend on the terms and conditions relating to the Security.

For the purposes of the 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.

Stamp Duty

Stamp duty on the issue of Securities

No stamp duty will generally be payable in relation to the issue of Securities, including where such Securities are issued into CREST.

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.

Stamp duty on the redemption of Securities

No United Kingdom stamp duty should be payable in relation to the redemption of a Security which is cash settled.

SDRT

SDRT on the issue of 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 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 Security which is not Exempt Loan Capital, unless that 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 Vidacos 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 where 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 issue of Securities into CREST

No SDRT will be payable in respect of the issue of Securities into CREST, provided they are not issued into the CREST account of a Clearance Service or to a person issuing depositary receipts (or an agent or nominee for such a person).

SDRT on the transfer of 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 Security held within a Clearance Service provided that no s97A Election applies in respect of the Security.

SDRT on the transfer of Securities held outside a Clearance Service, held within CREST or held within a Clearance Service where a s97A Election has been made

In the case of Securities held outside a Clearance Service, Securities held within CREST or Securities held within a Clearance Service where a s97A Election has been made, no SDRT should be payable in relation to the transfer of a Security within CREST or any agreement to transfer a Security, in each case, provided that it is Exempt Loan Capital.

In the case of Securities held outside a Clearance Service, Securities held within CREST or Securities held within a Clearance Service where a s97A Election has been made, SDRT should generally be payable in relation to the transfer of a Loan Security within CREST or any agreement to transfer a Security, in each case, which is not Exempt Loan Capital, unless that 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 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.

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. GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular investor. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series of Securities may be subject to a different tax treatment due to the specific terms of such Series of Securities as set out in the respective prospectus, the following section only provides some general information on the possible tax treatment thereof.

Prospective purchasers of Securities are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of Securities, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

This section "Tax Residents" refers to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual investor will be subject to German withholding tax if the Securities are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.) which will be withheld by the Disbursing Agent. If the individual investor is subject to church tax, a church tax surcharge may also be withheld.

The same treatment applies to capital gains (i.e., the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual investor provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Securities are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e., without the Securities), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Securities have been disposed of separately.

To the extent the Securities have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Securities have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on 30 per cent. of the disposal proceeds (plus interest accrued on the Securities ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct negative investment income realised by the individual investor via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Securities or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual investor in the custodial account with the Disbursing Agent.

Individual investors may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual investor filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when

computing the amount of tax to be withheld. No withholding tax will be deducted if the investor has submitted a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office to the Disbursing Agent.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Securities held by a corporation as investor while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Securities form part of a trade or business, subject to further requirements being met.

Non-residents

In case of investors not being a Tax Resident as defined above, interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (a) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the investor or (b) the income otherwise constitutes German-source income (such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German-situs real estate). In cases (a) and (b) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Security or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

European Union Directive on the taxation of savings income

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the EU Savings Directive into German law. These provisions apply from 1 July 2005.

8. AUSTRIA

The following summary does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant for the decision to acquire, to hold, and to dispose of the Securities and does not constitute legal or tax advice. The summary is based on Austrian tax law and practice and official interpretation currently in effect, all of which are subject to change. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors. The discussion of certain Austrian taxes set forth below is included for information purposes only.

This summary of Austrian tax issues is based on the assumption that the Securities do not qualify as equity for Austrian tax purposes or units in a non-Austrian investment fund within the meaning of § 188 of the Austrian Investment Fund Act (*Investmentfondsgesetz,* "**InvFG**"). The tax consequences may substantially differ if the Securities are qualified as equity instruments or units in a non-Austrian investment fund within the meaning of § 188 InvFG.

Austrian tax resident

Austrian tax resident individual investors

Interest, capital gains and income from derivatives under the Securities realised by an investor resident in Austria for tax purposes is subject to Austrian income tax generally at a tax rate of 25 per cent. provided that the Securities are legally and actually publicly offered.

The tax base is generally considered to be the interest paid (irrespective of whether fixed rate or floating rate), or, with respect to capital gains, the difference between the sale proceeds or the redemption amount, in each case including accrued interest, and the acquisition costs including accrued interest. Income from derivatives comprise the return from Reference Asset Linked Securities. If the Securities are issued in a foreign (i.e., non-Euro) currency, realised fluctuations in value compared to the Euro are equally considered income from capital. Expenses which are directly connected with income subject to the special tax rate of 25 per cent. are not deductible. For Securities held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Securities held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply. The settlement of Securities in kind (e.g. in case of cash-or-share notes) should not be considered as taxable event; rather, the acquisition cost of the Securities should be attributed to the received securities.

If interest is paid by an Austrian paying agent (*auszahlende Stelle*; e.g. an Austrian credit institution, an Austrian branch of a foreign credit institution or Austrian issuer) withholding tax (*Kapitalertragsteuer*) at a rate of 25 per cent. is triggered. The income tax for interest income generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespective of whether the Securities are held as private assets or as business assets. In relation to realised capital gains and income from derivatives, Austrian withholding tax at a rate of 25 per cent. is triggered if the Securities are deposited with an Austrian depository (e.g. an Austrian credit institution or Austrian branch of a non-Austrian credit institution) or if the payments are made by an Austrian paying agent provided the non-Austrian depository is a non-Austrian branch or group company of such Austrian paying agent and processes the payment in cooperation with the Austrian paying agent. In case of realised capital gains and income from derivatives, the 25 per cent. withholding tax deduction will result in final income taxation only for individuals holding the Securities as private assets provided that the investor has evidenced the factual acquisition cost of the Securities to the securities depository. Capital gains and income from derivatives need to be included in the income tax return if realised as business income or employment income.

In the absence of an Austrian paying agent or depository, the investor must include interest, capital gains or income from derivatives under the publicly offered Securities in the income tax return, and income tax is assessed at a rate of 25 per cent. unless a Swiss or Liechtenstein paying agent has withheld final withholding tax under the respective Swiss or Liechtenstein withholding tax acts implementing the bilateral withholding tax agreements with Switzerland (in force since 1 January 2013, see paragraph 5 (*Switzerland*) above) and Liechtenstein (which is scheduled for coming into force on 1 January 2014) which final withholding tax discharges the investor's Austrian income tax liability. The Issuer does not assume responsibility for withholding tax at source whatsoever.

Withdrawals (*Entnahmen*) and other transfers of Securities from the securities account will be treated as disposals (sales), unless specified exemptions pursuant to § 27(6)(a) Austrian Income Tax Act (*Einkommensteuergesetz*; "**EStG**") will be fulfilled, such as the transfer of the Securities to a securities account owned by the same taxpayer (a) with the same Austrian securities depository (bank), (b) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (c) with a non-Austrian bank provided that the account holder has instructed the transferring bank to transmit the pertaining information to the competent Austrian tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or such as the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Special rules apply if a taxpayer transfers his/her residence outside of Austria or Austria loses for other reasons its taxation right in respect of the Securities to other countries (which gives rise to a deemed capital gain and exit taxation with the option for deferred taxation in the case of a transfer to an EU member state or certain member states of the European Economic Area).

Losses from Securities held as private assets may only be set off with other investment income subject to the special 25 per cent. tax rate (excluding, inter alia, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Pursuant to § 93(6) EStG, Austrian securities depositories have to apply a mandatory set-off of losses from securities accounts of the same taxpayer at the same securities depository (subject to certain exemptions). A carry-forward of such losses is not permitted.

Taxpayers whose regular personal income tax is lower than 25 per cent. may opt for taxation of the income derived from the Securities at the regular personal income tax rate. Any tax withheld will then be credited against the assessed income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25 per cent. tax rate. Expenses in direct economic connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is exercised.

If Securities are held as business assets, the acquisition cost may also include incidental acquisition costs. Income derived from the Securities is also subject to the special income tax rate of 25 per cent., deducted by way of the withholding tax. However, realised capital gains and income from derivatives, contrary to interest income, are not subject to final taxation and have to be included in the tax return but are also subject to the special income tax rate of 25 per cent. Write-downs and losses derived from the sale or redemption of Securities held as business assets must primarily be set off against positive income from realised capital gains of financial instruments of the same business and only half of the remaining loss may be set off or carried forward against any other income.

Income from Securities which are not legally or actually publicly offered (i.e., private placements) is not subject to Austrian withholding tax and final taxation but subject to normal progressive personal income tax rates of up to 50 per cent. and needs to be included in the investor's income tax return.

Austrian private foundation

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in § 13(6) Corporate Income Tax Act (*Körperschaftsteuergesetz*; "**KStG**") and holding Securities as a non-business asset are subject to interim taxation at a rate of 25 per cent. (which is, however, not levied in case the private foundation makes distributions to beneficiaries which are subject to Austrian withholding tax) on interest income, income from realised capital gains and income from derivatives. Under the conditions set forth in § 94(12) EStG no withholding tax is levied.

Austrian tax resident corporate investor

A corporation subject to unlimited corporate income tax liability in Austria will be subject to Austrian corporate income tax at a rate of 25 per cent. A corporation may file an exemption declaration pursuant to § 94(5) EStG in order to avoid that Austrian withholding tax is levied. Tax losses may generally be offset against all other income. Tax loss carry forwards are generally possible.

Non-Austrian tax resident investors

Pursuant to § 98 EStG, interest, capital gains and income from derivatives received under the Securities by a non-resident investor for tax purposes are not subject to Austrian (corporate) income tax unless attributable to an Austrian located permanent establishment. An Austrian paying agent or depository may abstain from levying 25 per cent. withholding tax under § 94(13) EStG. If any Austrian withholding tax is deducted by the securities depository or paying agent, the tax withheld shall be refunded to the non-resident holder of the Securities upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Austrian EU-Source Tax Act

Under the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz*, "**EU-QuStG**") implementing the EU Savings Directive), interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state is subject to EU source tax at a rate of 35 per cent. Interest within the meaning of the EU-QuStG are, among others, interest paid or credited to an account, relating to debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures.

An exemption from EU source taxation applies, among others, if the beneficial owner of the interest forwards to the Austrian paying agent documentation issued by the tax office where the tax payer is resident, stating (a) the beneficial owner's name, address and tax identification number (in the absence of a tax identification number the beneficial owner's date and place of birth), (b) the paying agent's name and address (c) the beneficial owner's address and account number or the security identification number. Further, EU source tax is not triggered if interest within the meaning of the EU-QuStG is paid to an institution within the meaning of § 4(2) EU-QuStG resident in another EU Member State and this institution agrees upon written request of the Austrian paying agent to enter into a simplified information exchange procedure with the Austrian paying agent. Special rules apply to securities the value of which depends directly on the value of a reference underlying. Distinction must be made between securities providing for capital protection to the investor (guaranteed interest is sufficient to constitute a capital protection within the present context) or not (see Information of the Austrian Federal Ministry of Finance dated 1 August 2005 for details).

The Issuer does not assume responsibility for EU withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Austrian inheritance and gift tax

Austria does not levy an inheritance and gift tax.

However, certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entrance tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entrance Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa*, in particular for bank deposits and publicly placed bonds. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5 per cent., with a higher rate of 25 per cent. applying in special cases.

In addition, a special notification obligation exists for gifts of money, notes (including the Securities), receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. In respect of a transfer of the Securities without consideration, the notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of penalties of up to 10 per cent. of the fair market value of the assets transferred.

9. 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

Belgian withholding tax and income tax treatment

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 (or before) the Maturity 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 under (a) and (b)) 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.

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 (with a few exceptions, such as for Zero Coupon Securities), 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.

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.

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.

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 usufructor 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.

EU Savings Directive

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.

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.

10. 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.

11. IRELAND

The following comments are of a general nature, relating only to the position of persons who are the absolute beneficial owners of the Securities, and provide a general overview only of the Irish withholding tax treatment on the date of this Base Prospectus in relation to income payments in respect of the Securities. This overview is based on Irish law and what is understood to be the practice of the Irish Revenue Commissioners, in each case as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change. The comments are not exhaustive and do not deal with any other Irish tax aspects of acquiring, holding, disposing of, abandoning, exercising or dealing in the Securities. Prospective investors in the Securities should consult their own advisors as to the Irish tax consequences of acquiring, holding, disposing of, abandoning, exercising or dealing in the Securities.

Irish withholding tax

Irish interest withholding tax should not apply to interest payments which have their source outside Ireland. On the basis that the Issuer is not resident in Ireland and has no presence in Ireland, that no interest payments will be made from Ireland, that no Irish situate assets will be secured and that the Securities will not be deposited with an Irish depositary, interest payments on the Securities should not have an Irish source and, consequently, no Irish interest withholding tax should arise.

Irish encashment tax

Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from any interest payments paid in respect of the Securities where such payments are paid or collected by a person in Ireland on behalf of any holder of the Securities. Holders of

the Securities should therefore note that the appointment of an Irish collection agent or an Irish paying agent could result in the deduction of 20 per cent. encashment tax by such agent from interest payments on the Securities. A holder of the Securities that is not resident in Ireland for tax purposes may claim an exemption from this form of withholding tax by submitting an appropriate declaration of non-Irish tax residency to the Irish agent.

12. ITALY

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities and does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant tax considerations surrounding or connected to the purchase, ownership or disposal of the Securities by Italian or non-Italian resident investors. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Securities, some of which may be subject to special rules. This summary is based upon Italian tax laws and practice in effect as at the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each client: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

This summary does not describe the tax consequences for an investor with respect to complex Securities that provide for dividend related payments linked to the profits of the Issuer, profits of an other company of the Issuer's group or profits of the business in relation to which they are issued. Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction.

With reference to each issue of Securities, a specific tax section regarding such issue may be included in the relevant Final Terms.

Italian tax treatment of the Securities

The Securities may be subject to different tax regimes depending on whether:

- they represent a debt instrument implying a use of capital (*impiego di capitale*), through which the investors transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity; or

- they represent derivative financial instruments or bundles of derivative financial instruments, through which the investors purchase indirectly underlying financial instruments.

Securities representing debt instruments implying a "use of capital"

Securities having 100 per cent. capital protection guaranteed by the Issuer

Italian resident investors

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident Issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for interim payments) and that do not give any right to directly or indirectly participate in the management of the relevant Issuer or of the business in relation to which they are issued nor any type of control on the management.

Where an investor resident in Italy for tax purposes is: (a) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the *risparmio gestito regime* – see "Capital Gains Tax" below); (b) a non-commercial partnership pursuant to Article 5 of the Presidential Decree 22 December 1986, No. 917 ("**TUIR**") (with the exception of general partnership, limited partnership and similar entities); (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation; interest, premium and other income (other than capital gains) relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. In the event that the investors described under (a) and (c) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident investor is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income (other than capital gains) from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant investor's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", generally levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the status of the investor, also to regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.9 per cent., even though regional surcharges may apply).

If an investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Securities are held by an authorised intermediary, interest, premium and other income accrued during the holding period will neither be subject to *imposta sostitutiva* but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of up to 20 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Substitute Tax**").

Where an Italian resident investor is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005 (the "**Decree No. 252**")) and the Securities are deposited with an authorised intermediary, interest, premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad-hoc 11 per cent. substitute tax.

Pursuant to Decree No. 239, imposta sostitutiva is applied by banks, *società di intermediazione mobiliare ("***SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**"). For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must

- be (A) resident in Italy or (B) resident outside Italy, with a permanent establishment in Italy or (C) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and

- intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest, premium or other income (other than capital gains) to an investor. If interest, premium or other income (other than capital gains) on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) will be required to include interest, premium and other proceeds (other than capital gains) in their yearly income tax return and subject them to a final substitute tax at a rate of 20 per cent.

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident investor of interest, premium or other income (other than capital gains) relating to the Securities provided that, if the Securities are held in Italy, the non-Italian resident investor declares itself to be a non-Italian resident according to Italian tax regulations.

Securities not having 100 per cent. capital protection guaranteed by the Issuer

In the case of Securities representing debt instruments implying a "use of capital" which do not incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for interim payments) and/or which give any right to directly or indirectly participate in the management of the relevant Issuer or of the business in relation to which they are issued and/or any type of control on the management, interest, premium and other income (other than capital gains) may be subject to a withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Holder and to an Italian resident Holder which is: (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities. If the Securities are not placed (collocate) in Italy or in any case where payments of interest, premium and other income (other than capital gains) on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that intervenes in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no entrance withholding tax is required to be levied, the beneficial owners will be required to declare these payments in their income tax return and subject them to a final substitute tax at a rate of 20 per cent. The Italian individual beneficial owners may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of these payments; if so, the investor should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the status of the investor, also as part of the net value of production for IRAP purposes) if realised by an Italian company resident in Italy for tax purposes or a similar commercial entity resident in Italy for tax purposes (including the Italian permanent establishment of foreign entities to which the Securities are effectively connected) or Italian individuals resident in Italy for tax purposes engaged in an entrepreneurial activity to which the Securities are connected.

Where an investor resident in Italy for tax purposes is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such investor from the sale, early redemption or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Under some conditions and limitations, investors may set off losses with gains. This rule applies also to certain other entities holding the Securities. In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

- Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged

in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual. The investor holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

- As an alternative to the tax declaration regime, Italian resident individual investor holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Securities (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree 21 November 1997, No. 461 as a subsequently amended, the "**Decree No. 461**"). Such separate taxation of capital gains is allowed subject to (a) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (b) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant investor. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, early redemption or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian Tax Authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the investor or using funds provided by the investor for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the investor is not required to declare the capital gains in its annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

- Any capital gains realised or accrued by Italian resident individual investors holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (the regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the risparmio gestito regime, the investor is not required to declare the capital gains realised in its annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase of value for an overall amount of 62.5 per cent. of the relevant depreciation.

Any capital gains realised by an investor which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the results of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by an investor which is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by investors not resident in Italy for tax purposes from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy. Furthermore, treaties against double taxation on income entered into by Italy may provide exemption on these gains, depending on the applicable tax treaty and provided that all relevant conditions are met.

Securities representing derivative financial instruments or bundles of derivative financial instruments

Payments in respect of Securities qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes (not engaged in entrepreneurial activities to which the Securities are connected) as well as capital gains realised by such Italian investors on any sale or transfer for consideration of the Securities or redemption thereof are subject to a 20 per cent. capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital Gains Tax" above.

Payments in respect of Securities qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes which carry out commercial activities are not subject to the 20 per cent. capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

Any capital gains realised by an investor which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by an investor which is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident investors from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (a) are traded on regulated markets, or (b) if not traded on regulated markets, are held outside Italy. Furthermore, treaties against double taxation on income entered into by Italy may provide exemption on these gains, depending on the applicable tax treaty and provided that all relevant conditions are met.

Inheritance and gift tax

Transfers of any valuable assets (including the Securities) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding Euro 1,000,000 (per beneficiary);
- 6 per cent. if the transfer if made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding Euro 100,000 (per beneficiary);
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

Transfer tax

Transfer tax previously generally payable on the transfer of the Securities has been abolished. A Euro 168.00 registration tax may be applicable to the transfer of the Securities under certain circumstances.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Securities deposited therewith. The stamp duty applies at a rate of 0.15 per cent. on a taxable basis equal to the market value or – if no market value figure is available – the nominal value or redemption amount of the Securities held. The stamp duty can be no lower than Euro 34.20 and shall not exceed the amount of Euro 4,500 if the recipient of the periodic reporting communications is an entity (i.e., not an individual). It may be understood that the stamp duty applies both to Italian resident and non-Italian resident Holders, to the extent that the Securities are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree No. 201, Italian resident individuals holding the Securities outside the Italian territory are required to pay an additional tax at a rate of 0.15 per cent. This tax is calculated on the market value of the Securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial transaction tax

Pursuant to Article 1(491 et seq) of Law No. 228 of 24 December 2012, a financial transaction tax ("**FTT**") applies to (a) transfers of property rights in shares and other participating securities issued by Italian resident companies (together, "**Relevant Participating Instruments**"), (b) transfers of property rights in financial instruments representing any such Relevant Participating Instruments, whether or not such financial instruments are issued by Italian resident issuers (such financial instruments, together with the Relevant Participating Instruments, the "**Relevant Instruments**") and (c) derivative transactions referencing Relevant Instruments (i.e., derivative transactions having an underlying mainly represented by one or more of Relevant Instruments or whose value is mainly linked to the Relevant Instruments) including securitised derivatives referencing Relevant Instruments.

With respect to derivative transactions referencing Relevant Instruments including securitised derivatives the FTT is due to come into force as of 1 July 2013, and will apply regardless of the tax residence of both the counterparties of the transactions and/or where the transaction is executed. The FTT will be levied at a fixed amount of between Euro 0.01875 and Euro 200 per transaction, that will vary depending on the features and notional value of the securitised derivatives. A reduced FTT (one fifth of the standard rate) will be payable in respect of transactions executed on those regulated markets or multilateral trading facilities of EU Member States and of the EEA (European Economic Area) that are included in the list set out by the Ministerial Decree issued pursuant to Article 168-*bis* of TUIR.

The FTT due in respect of derivative transactions referencing Relevant Instruments including securitised derivatives will be payable by both counterparties of the transactions. However, the FTT will not apply where one of the parties to the transaction is the European Union, the European Central Bank (ECB), central banks of the EU Member States, foreign Central Banks or entities which manage the official reserves of a foreign State, or international bodies or entities set up in accordance with international agreements which have entered into force in Italy. Further specific exemptions exist including, inter alia, for (i) subjects who carry on market making activities, (ii) mandatory social security entities and pension funds set up

according to Legislative Decree No. 252 of 5 December 2005 and (iii) entities merely interposed in the execution of a transaction.

The FTT shall be generally levied by the banks and other financial intermediaries ("**Intermediaries**") that are involved, in any way, in the execution of the transaction and subsequently paid to the Italian Revenue. If more than one Intermediary is involved in the execution of the transaction, the FTT will be levied by the Intermediary who receives the order of execution by the purchaser of the Relevant Instruments or, in the case of a derivative transaction or securitised derivative referencing a Relevant Instruments, by the counterparty to or purchaser of such derivative. Intermediaries not resident in Italy can appoint an Italian representative for the purposes of the FTT. If no Intermediaries are involved in the execution of the transaction, the relevant FTT must be paid by each relevant party to the transaction themselves.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

13. 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.

14. 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).

15. POLAND

The following information about certain Polish taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following information does not purport to be a comprehensive description of all the tax consequences and considerations that may be relevant to acquisition, holding, disposing and redeeming of or cancelling (as applicable) the Securities, and does not purport to deal with the tax consequences applicable to all categories of investors. The following information is based on the assumption that no Agent is located in Poland. The following information is not intended to be, nor should it be construed to be, legal or tax advice. It is recommended that potential purchasers of the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding, sale or redemption of Securities.

Withholding tax

No withholding tax will be levied in Poland on interest earned under the Securities because the Issuer is located outside of Poland and interest does not constitute a Polish source income.

Taxation of income

Polish resident individuals

Individuals having their place of residence in Poland ("**Polish Resident Individuals**") are subject to Polish Personal Income Tax ("**PIT**") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Individuals on the disposal or redemption of Securities should not be combined with income from other sources but will be subject to the 19 per cent. flat PIT rate. The income is calculated as the difference between the revenue earned on the disposal or redemption of Securities (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price). The tax is settled by Polish Resident Individuals on an annual basis. Interest under Securities earned by a Polish Resident Individuals should not be combined with income from other sources and will be subject to the 19 per cent. flat PIT rate. The tax is settled by Polish Resident Individuals on an annual basis. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided by the provisions of the Double Tax Treaty concluded between Poland and the country where the tax was withheld.

Polish resident entities

Entities having their seat or place of management in Poland ("**Polish Resident Entities**") are subject to Polish Corporate Income Tax ("**CIT**") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Entities on the disposal or redemption of Securities is subject to the 19 per cent. CIT rate. The income is calculated as the difference between the revenue earned on the disposal or redemption of Securities (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price).

The amount of interest earned by a Polish Resident Entity under Securities is subject to the 19 per cent. CIT rate. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided by the provisions of the Double Tax Treaty concluded between Poland and the country where the tax was withheld.

Non-resident individuals and entities

Individuals and entities that are Polish non-residents will not generally be subject to Polish taxes on income resulting from the disposal or redemption of Securities unless such income is attributable to an enterprise which is either managed in Poland or carried on through a

permanent establishment in Poland. In addition, in the case of individuals resident in a country which does not have a double tax treaty with Poland, there may be a risk of taxation of the types of income referred to in this paragraph, in the case of the disposal/redemption of Securities quoted on the Warsaw Stock Exchange.

Taxation of inheritances and donations

The Polish tax on inheritance and donations is paid by individuals who received title to Securities by right of succession, as legacy, further legacy, testamentary instruction or gift only if at the moment of the acquisition of the Securities the acquirers were Polish citizens or had residence within the territory of Poland. The rates of tax on inheritances and donations vary depending on the degree of kinship by blood, kinship through marriage or other types of personal relationships existing between the testator and the heir, or between the donor and the donee (the degree of the kinship is decisive for the assignment to a given tax group). The tax rate varies from 3 per cent. to 20 per cent. of the taxable base depending on the tax group to which the recipient was assigned. Acquisition of ownership of Securities by a spouse, descendants, ascendants, stepchildren, siblings, stepfather or stepmother is tax exempt if the beneficiary notifies the head of the competent tax office of the acquisition within six months of the day when the tax liability arose or, in the case of an inheritance, within six months of the day when the court decision confirming the acquisition of the inheritance becomes final.

Tax on civil law transactions

Generally tax on civil law transactions at the rate of 1 per cent. is levied on the sale or exchange of the rights exercised in Poland. The taxpayer of this tax is only the purchaser of the rights. The tax is also imposed on agreements for the sale or exchange of the rights exercised outside Poland (including Securities) only if the sale or exchange agreement is concluded in Poland and the purchaser has a place of residence or seat in the territory of Poland. However, the sale of Securities (a) to investment firms (including foreign investment firms), or (b) via investment firms (including foreign investment firms) acting as intermediaries, or (c) the sale of the Securities either on the Warsaw Stocks Exchange or on any multilateral trading facility operating in accordance with relevant regulations (i.e. in the "Organised trading"), or (d) outside the Organised trading by investment firms (including foreign investment firms) if the Securities had been acquired by such firms as a part of Organised trading - is exempt from tax on civil law transactions.

Other Taxes

No other Polish taxes should be applicable to the Securities.

Polish implementation of the EU Savings Tax Directive

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, Poland will provide to the tax authorities of another EU member state (and certain non-EU countries and associated territories specified in that directive) details of payments of interest or other similar income paid or made available by a person having its seat within Poland to, or collected by such a person for, an individual resident in such other state.

16. 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.

CERTAIN ERISA CONSIDERATIONS

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.

SELLING RESTRICTIONS

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 NYSE Euronext Amsterdam 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 or 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. Neither the Securities, nor interests therein, may 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. 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 United States law 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)(D) (the "**D Rules**"). The Issuer will require each Dealer participating in the distribution of Securities subject to the D Rules:

(a) except to the extent permitted under the D Rules, (i) to represent that it has not offered or sold, and agree that it will not at any time offer or sell, such Securities to a person who is within the United States or its possessions or to a United States person, and (ii) to represent that it has not delivered, and agree that it will not deliver, definitive Securities within the United States or its possessions;

(b) to represent that it has in effect, and agree that it will have in effect, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities subject to the D Rules are aware that such Securities may not at any

time be offered or sold to a person who is within the United States or its possessions or to a United States person;

(c) if it is a United States person, to represent that it is acquiring Securities for purposes of resale in connection with their original issuance and, if it retains Securities for its own account, that it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate that acquires Securities from it for the purpose of offering or selling such Securities, to repeat and confirm the representations and agreements contained in subclauses (a), (b) and (c) of this paragraph on such affiliate's behalf; and

(e) to agree that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Securities subject to the D Rules from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

The terms used in the preceding paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and the U.S. Treasury regulations thereunder, including the D Rules.

Securities in dematerialised form 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**"). The Issuer will require each Dealer participating in the distribution of Securities subject to the C Rules 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. The terms used in the preceding sentence (and not otherwise defined below) have the meanings given to them by 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 may be defined in Regulation S under the Securities Act or 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 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 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 it 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 is not a U.S. person and will not at any time offer or sell any of such Securities, directly or indirectly, 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 REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES 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.

8. **FINLAND**

Each Dealer and/or distributor confirms and agrees that it will not, directly or indirectly, offer for subscription or purchase or offer invitations to subscribe for or buy or sell the Securities or distribute any draft or definitive document in relation to any such offer, invitation or sale in Finland except in compliance with the laws of Finland and in such manner that no obligation for the Issuer to prepare any prospectus in respect of the issuance of the Securities pursuant to Finnish law and regulations will arise.

9. **AUSTRIA**

For selling restrictions in respect of Austria, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

10. **BELGIUM**

For selling restrictions in respect of Belgium, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

In addition, any Dealer and/or distributor will be required to represent and agree that it will not offer for sale, sell or market Securities to any person qualifying as a consumer within the meaning of Article 2.3 of the Belgian law of 6 April 2010 on consumer protection and trade practices, as amended from time to time, unless such offer, sale or marketing is made in compliance with this law and its implementing regulation.

11. **FRANCE**

This Base Prospectus has not been approved by the *Autorité des marchés financiers* (the "**AMF**").

The Issuer and each Dealer and/or distributor represent, warrant and agree, that:

(a) it has only made and will only make an offer of Securities to the public in France or an admission of Securities to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the AMF, on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is twelve months after the date of approval of the prospectus, all in accordance with Articles L.412-1 and L.621-8 to L.621-8-3 of the French Code *monétaire et financier* and the *Règlement général* of the AMF; or

(b) it has only made and will only make an offer of Securities to the public in France or an admission of Securities to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French Code *monétaire et financier* and the *Règlement général* of the AMF; and

(c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities, and that such offers, sales and distributions have been and will be made in France only to (i) providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, (iii) a restricted group of investors (*cercle restreint d'investisseurs*) acting for their own account and/or (iv) other investors in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French Code *monétaire et financier* and the *Règlement général* of the AMF, all as defined in, and in accordance with, Articles L.411-2, D.411-1, D.411-4, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*. The direct or indirect resale of Securities to the public in France may be made only as provided by and in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code *monétaire et financier*.

12. GERMANY

For selling restrictions in respect of Germany, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

13. IRELAND

Each purchaser of the Securities will be required to represent, warrant and agree that it has not offered, sold, placed or underwritten and that it will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

(a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended by the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012) and any rules issued by the Central Bank of Ireland under section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the "**2005 Act**");

(b) the Companies Acts 1963 to 2012;

(c) the European Communities (Markets in Financial Securities) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland; and

(d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under section 34 of the 2005 Act, and will assist the Issuer in complying with its obligations thereunder.

14. ITALY

Unless it is specified within the relevant Final Terms that a Non-exempt Offer may be made in Italy, the offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services**

Act") and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, Securities which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the Securities for any damages suffered by such non-qualified investors.

15. LUXEMBOURG

For selling restrictions in respect of Luxembourg, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

16. POLAND

For selling restrictions in respect of Poland, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

17. SWEDEN

For selling restrictions in respect of Sweden, please see paragraph 2 (*Public Offer Selling Restriction under the Prospectus Directive*) above.

GENERAL INFORMATION

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 NYSE Euronext Amsterdam 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 NYSE Euronext Amsterdam 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.

Go Forward Strategy

RBS plc recently announced that it will be refocusing its Markets division to concentrate on its core wholesale fixed income product strengths across rates, currencies, asset-backed products and credit and debt capital markets. As part of this exercise, RBS plc plans to exit all structured retail investor products (which includes new primary market issuance of products offered to retail investors under this Base Prospectus), equity derivatives (other than liquid equity index products within its Dynamic Strategies and Hybrids businesses), as well as peripheral market-making activities. The businesses that RBS plc plans to exit will be transferred to a business unit of RBS plc managed in the Markets division

where it is intended that they will be divested through a sales process or otherwise exited through a managed wind-down process. RBS plc intends to continue to provide secondary market liquidity for all relevant products where it is legally or contractually required to do so. The Exchange Traded Product business will, for the time being, continue to issue certain products during the sales process. Save for Exchange Traded Products, primary market transactions will only be executed on an exceptions basis.

RBS plc remains committed to meeting its existing obligations to its customers.

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.

In addition, copies of the Registry Services Agreement (as defined in the "Terms and Conditions") will be made available for inspection during normal business hours at the registered office of the Registrar in respect of Securities cleared through CREST (defined below).

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**"), Euroclear France ("**Euroclear France**"), SIX SIS Ltd, Monte Titoli S.p.A ("**Monte Titoli**") and the dematerialised and uncertificated securities trading system operated by Euroclear UK and Ireland Limited ("**CREST**"). 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, Euroclear France, Monte Titoli, CREST 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 NYSE

Euronext Amsterdam 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 NYSE Euronext Amsterdam. The Issuer expects that each such Series of the Securities will be admitted to trading on NYSE Euronext Amsterdam 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 publish such information in accordance with Article 8 of the Prospectus Directive (which may be (i) by insertion in one or more newspapers, (ii) in printed form to be made available at the offices of the market on which the Securities are being admitted to trading or at the registered office of the Issuer and at the offices of the financial intermediaries placing or selling the Securities, (iii) in electronic form on the Issuer's website or on the website of the financial intermediaries placing or selling the Securities, (iv) in electronic form on the website of the regulated market where admission to trading is sought, or (v) in electronic form on the website of the competent authority, as specified in the relevant Final Terms).

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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