
LaunchPAD Programme

Supplementary Prospectus dated 20 April 2012

**FIFTEENTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE
LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF OPEN END
CERTIFICATES**



The Royal Bank of Scotland N.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)
(the **Issuer**)

The Royal Bank of Scotland N.V.

LaunchPAD Programme

1. This Supplement dated 20 April 2012 (this **Supplement**) constitutes the fifteenth supplement to the base prospectus dated 1 July 2011 in relation to the Issuer's LaunchPAD Programme for the issuance of Open End Certificates approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2011 (the **Base Prospectus**).
2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC (the **Prospectus Directive**) by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
3. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.
4. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
5. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

6. The Issuer proposes to issue Open End Booster Certificates under the Base Prospectus. Accordingly, by virtue of this Supplement, the following amendments are made to the Base Prospectus:

(a) The "Summary" section beginning on page 6, shall be amended as follows:

(i) The following sub-section shall be inserted after the sub-section entitled "Rolling Mini Short Open End Certificates":

**Open End Booster
Certificates:**

Open End Booster Long Certificates enable the investor to profit from rising markets, while Open End Booster Short Certificates enable the investor to profit from falling markets. Open End Booster Certificates are similar to ordinary certificates in that they track the performance of the underlying asset(s) (as affected by financing costs and/or dividends). The difference between an Open End Booster Certificate and an ordinary open end certificate is that in the case of the Open End Booster Certificate, the amount needed to invest to give the same participation rate in the underlying asset(s) is considerably less. Therefore the percentage gain relative to price movement of the underlying asset(s) is much higher in Open End Booster Certificates than in ordinary certificates. The maximum loss to the investor is the initial amount invested.

If during the term of an Open End Booster Certificate, an Open End Booster Stop-Loss Event occurs, the Security will terminate automatically, and no payment will be made on the Security. In the event of such early termination the initial amount invested will be lost (including any transaction costs).

(ii) In the section of the Summary entitled "Risk Factors", the following bullet point paragraphs shall be inserted to the sub-section entitled "Risks Relating to the Securities"

- If during the term of an Open End Booster Certificate, the Underlying (as defined below) reaches a pre-determined barrier (an "Open End Booster Stop-Loss Event") the Security will terminate automatically, and no payment will be made on the Security. In the event of such early termination the initial amount invested will be lost (including any transaction costs).
- Transactions or other activities taken by the Issuer and/or its affiliates that affect the market price, liquidity or value of any Underlying may trigger an Open End Booster Stop-Loss Event. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the price level of the Underlying and trigger an Open End Booster Stop-Loss Event.

(b) The "Risk Factors" section beginning on page 30 shall be amended as follows:

(i) The risk factor under the sub-heading entitled "*The Securities are certificates which entail particular risks*" under the heading "Factors which are material for the purpose of assessing the market risks

associated with Securities issued" shall be amended by inserting the following paragraph after the third paragraph:

Open End Booster Long Certificates enable the investor to profit from rising markets, while Open End Booster Short Certificates enable the investor to profit from falling markets. Open End Booster Certificates are similar to ordinary certificates in that they track the performance of the underlying asset(s) (as affected by financing costs and/or dividends). The difference between an Open End Booster Certificate and an ordinary open end certificate is that in the case of the Open End Booster Certificate, the amount needed to invest to give the same participation rate in the underlying asset(s) is considerably less. Therefore the percentage gain relative to price movement of the underlying asset(s) is much higher in Open End Booster Certificates than in ordinary certificates. This is the effect of leverage. The maximum loss to the investor is the initial amount invested.

- (ii) The risk factor under the sub-heading entitled "***Actions taken by the Issuer may affect the value of the Securities***" under the heading "**Factors which are material for the purpose of assessing the market risks associated with Securities issued**" shall be amended by inserting the following paragraph after the second paragraph:

Any such activities (including the unwinding of hedge positions in relation to the Underlying) can also have a material impact on the price or level of the Underlying and trigger an Open End Booster Stop-Loss Event. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the price level of the Underlying and trigger an Open End Booster Stop-Loss Event. If an Open End Booster Stop-Loss Event occurs, the Security will terminate automatically, no payment will be made on the Security, the entire investment of a Holder will be lost.

- (iii) The following risk factors related to the Open End Booster Certificates shall be inserted:

Risks associated with Open End Booster Certificates

- (a) *Leverage may result in greater gains and losses than would result from a direct investment in the Underlying.* Investors should be aware that the leverage effect from holding Open End Booster Certificates could result in gaining or losing a greater percentage of the investment than would occur through a direct investment in the underlying asset(s). The maximum loss to the investor is the initial amount invested. Investors must expect to suffer a loss if the market price/value of the underlying asset(s) falls, in the case of Open End Booster Long Certificates or rises, in the case of Open End Booster Short Certificates.
- (b) *The occurrence of an Open End Booster Stop-Loss Event will result in a loss of the investor's initial investment.* Following the occurrence of an Open End Booster Stop-Loss Event the Open End Booster Certificates will terminate automatically, no payment will be made on the Securities, and the initial amount invested will be lost (including any transaction costs). An Open End Booster Stop-Loss Event occurs if the price or level of the Underlying during the term of the Securities is (i) in case of Open End Booster Long Certificates, less than or equal to a pre-determined barrier (the "**Open End Booster Stop Loss Level**") or (ii) in the case of Open End Booster Short Certificates, greater than or equal to the Open End Booster Stop Loss Level.

The Open End Booster Stop Loss Level, which is specified in the Final Terms, is identical to the Current Financing Level. Accordingly, in the case of Open End Booster Certificates, the Open End Booster Stop Loss Level may change daily because the Current Financing Level will be determined on a daily basis as described in the Product Conditions. Investors should be aware that their entire investment may be lost in the event that the price or level of the Underlying decreases (in the case of Open End Booster Long Certificates) or increases (in the case of Open End Booster Short Certificates).

- (c) The “**General Information**” section beginning on page 86 shall be amended as follows: Paragraph (j) entitled “**Description of the Securities**” under the Heading “**Information on the Offering of the Securities**” shall be amended by inserting the following paragraph after the penultimate paragraph:

Open End Booster Long Certificates enable the investor to profit from rising markets, while Open End Booster Short Certificates enable the investor to profit from falling markets. Open End Booster Certificates are similar to ordinary certificates in that they track in a linear manner the underlying asset(s). The difference between a Open End Booster Certificate and an ordinary certificate is that in the case of the Open End Booster Certificate, the amount needed to invest to give the same participation rate in the underlying asset(s) is considerably less. Therefore the percentage gain relative to price movement of the underlying asset(s) is much higher in Open End Booster Certificates than in ordinary certificates. The maximum loss to the investor is the initial amount invested.

- (d) The Product Conditions on pages 112 to 625 shall be amended by inserting the following new Product Conditions:
- (i) Product Conditions relating to Index Open End Booster Long Certificates on as set out in Annex A to this Supplement; and
 - (ii) Product Conditions relating to Index Open End Booster Short Certificates as set out in Annex B to this Supplement
- (e) The form of Final Terms on pages 626 to 727 shall be amended by inserting the following new Form of Final Terms for Index Open End Booster Certificates as set out in Annex C to this Supplement.

7. A copy of this Supplement, the Base Prospectus and all other supplements thereto and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> 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.
8. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by virtue of this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) above will prevail.
9. Save as disclosed in any previous supplement to the Base Prospectus or this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (as supplemented at the date hereof) has arisen or has been noted since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

ANNEX A

CONDITIONS: PRODUCT CONDITIONS RELATING TO INDEX OPEN END BOOSTER LONG CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the applicable Final Terms and the General Conditions (whether or not attached to this document). The applicable Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities and attached to any Global Security representing the Securities.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s) each as specified in the applicable Final Terms, and/or The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland (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 Condition 12;

“**Business Day**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Calculation Period**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the current Trading Day;

“**Cash Amount**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

(a) Upon Exercise:

(Final Reference Price - Current Financing Level) x Entitlement, less Expenses (the “**Exercise Cash Amount**”); or

(b) Upon an Issuer Call:

(Termination Reference Price - Current Financing Level) x Entitlement, less Expenses (the “**Issuer Call Cash Amount**”),

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be

converted into the Settlement Currency at the prevailing Exchange Rate, if an Exchange Rate is specified in the applicable Final Terms, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearing Agent**” means each clearing agent and clearance system specified as such in the applicable Final Terms and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

“**Current Financing Level**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each Trading Day, in accordance with the following formula:

- (a) the Current Financing Level on the immediately preceding Trading Day; plus
- (b) Funding Cost; minus
- (c) if specified to be applicable in the definition of the relevant Series in the applicable Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the definition of the relevant Series in the applicable Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

The Current Financing Level on the Launch Date is the level specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Current Spread**” means the rate (expressed as a per annum percentage rate) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions including (but not limited to) the liquidity of the global financial markets, the availability and cost of capital and credit, interest rates, the imposition or announcement of any (additional) legislation and/or regulation, which requires higher capital ratio requirements for banks and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on any Trading Day, subject to the “**Maximum Spread**” (as specified in the definition of the relevant Series in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Index or hedging the Securities with futures materially exceeds such market rate as of the Launch Date, the Current Spread may be increased to reflect this change, subject to the Maximum Spread). The Current Spread on the Launch Date is the spread specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Emerging Market Disruption Event**” means, unless otherwise specified in the definition

of the relevant Series in the applicable Final Terms, each of the following events:

- (i) **Moratorium.** 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; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed 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 money borrowed 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 money borrowed 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 money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) 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 (B) 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; or
- (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) **Illiquidity.** 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; or

(vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or

(viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or

(ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or

(x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

“Entitlement” means the number specified as such in the definition of the relevant Series in the applicable Final Terms, subject to any adjustment in accordance with Product Condition 4;

“Exchange” means each exchange or quotation system from which the Index Sponsor takes the prices of the shares or other securities that comprise the Index (the **“Shares”**) to compute the Index or any successor to such exchange or quotation system;

“Exchange Rate” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement 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;

“Exercise” means a Holder’s right to exercise the Securities, in accordance with Product Condition 3;

“Exercise Date” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3;

“Exercise Time” means the time specified as such in the definition of the relevant Series in the applicable Final Terms;

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (a) the exercise of

such Security and/or (b) any payment or delivery due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Final Terms**” means the document containing the specific terms relating to the Securities;

“**Financing Level Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Funding Cost**” means, subject to adjustment in accordance with Product Condition 4, an amount, as determined by the Calculation Agent on each Trading Day, equal to:

- (a) Rate plus Current Spread; multiplied by
- (b) the Current Financing Level on the immediately preceding Trading Day; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period, divided by 360;

“**Governmental Authority**” is any de facto or de jure government (or 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 country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Index**” means the index specified as such in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Index Sponsor**” means 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 the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Trading Day and references to Index Sponsor shall include any

successor index sponsor pursuant to Product Condition 4;

“Issue Date” means the date specified as such in the applicable Final Terms;

“Issuer” means The Royal Bank of Scotland N.V. incorporated in The Netherlands with its statutory seat in Amsterdam acting through its principal office or its branch in London or such further or other branches as may be specified in the applicable Final Terms;

“Issuer Call” means termination of the Securities by the Issuer in accordance with Product Condition 3;

“Issuer Call Commencement Date” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant;

“Issuer Call Notice Period” means the period specified as such in the definition of the relevant Series in the applicable Final Terms;

“Launch Date” means the date specified as such in the applicable Final Terms;

“Market Disruption Event” means each event specified as such in Product Condition 4, any Additional Market Disruption Event specified in the definition of the relevant Series in the applicable Final Terms and any Emerging Market Disruption Event;

“Notional Dividend Amount” means, if “Notional Dividend Amount” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, an amount as determined by the Calculation Agent, equal to the sum of the cash dividends and/or other cash distributions in respect of the Shares which have an ex-dividend date occurring during the Calculation Period, or a percentage thereof in accordance with the Issuer's Hedge Position as determined by the Calculation Agent in its sole and absolute discretion, net of applicable

withholding taxes at a rate adjusted by application of any relevant double tax treaty without regard to any tax credits. The Notional Dividend Amount, if not expressed in the Financing Level Currency, shall be converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financial Level Currency and the currency of such cash dividend or other cash distribution;

“Payment 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 the principal financial centre for 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 is open;

“Pricing Date” means the date specified as such in the applicable Final Terms, subject to adjustment by the Issuer in adverse market conditions if, in the opinion of the Issuer, circumstances so require;

“Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency in the inter-bank market with a maturity of either three months, one month or overnight, as selected by the Calculation Agent in its sole and absolute discretion or such other maturity as selected by the Calculation Agent in its sole and absolute discretion and notified to the Holders in accordance with General Condition 4;

“Related Exchange” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“Relevant Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an American Depository Receipt (“**ADR**”) or Global Depository Receipt (“**GDR**”), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

“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 Number of Trading Days**” means the number of Trading Days, if any, specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Securities**” means the index open end booster long certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the terms “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

“**Securities Exchange**” means the exchange or quotation system specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Series**” means each series of Securities set out in the applicable Final Terms;

“**Settlement Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Settlement Date**” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, 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;

“**Stop Loss Event**” occurs if, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to any adjustment in accordance with Product Condition 4, the level of the Index (which shall be deemed to be a monetary value in the Financing Level Currency) is at any time on any Trading Day, from and including the Launch Date, and other than at the Stop Loss Reset Time or a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, less than or equal to the Stop Loss Level. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion;

“**Stop Loss Level**” means in respect of any day and subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Current Financing Level as determined by the

Calculation Agent in its sole and absolute discretion. The Stop Loss Level shall be rounded in the manner specified in the applicable Final Terms;

“Stop Loss Reset Time” means the regular weekday opening time of the Securities Exchange;

“Termination Reference Price” means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Index at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines relevant;

“Trading Day” means any day on which the Index Sponsor should calculate and publish the closing level of the Index according to its rules;

“Valuation Date” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms unless, in the determination of the Calculation Agent, a Market Disruption Event (including an Emerging Market Disruption Event) has occurred on that day in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event (including an Emerging Market Disruption Event)) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event (including an Emerging Market Disruption Event)); and (b) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant; and

“Valuation Time” means the time with reference to which the Index Sponsor calculates the closing level of the Index, or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

2. FORM

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

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). 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 Condition 4.

Any indication herein 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 Conditions and/or the applicable Final Terms, 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.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or

(ii) a bearer permanent Global Security and, in either case, 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 (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as 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 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 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

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 (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

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 or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES.

- (a) Exercise. Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable on any Exercise Date by delivery of a Notice (as defined below) prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically with a value of zero and the Issuer shall give notice to Holders in accordance with General Condition 4. For the avoidance of doubt, upon the

occurrence of a Stop Loss Event, the Holders shall not be entitled to any payment in respect of the Securities and the Issuer shall have no further obligations in respect thereof. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date or Valuation Date as the case may be.

- (c) Issuer Call. Provided no Stop Loss Event has occurred, the Issuer may terminate the Securities, in whole but not in part, on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (d) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive, from the Issuer on the Settlement Date either:
 - (i) the Exercise Cash Amount, following a valid Exercise; or
 - (ii) the Issuer Call Cash Amount, following a valid Issuer Call.
- (e) 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.
- (f) 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 Cash Amount.
- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent or the Swiss Agent or, where the Securities are cleared through CREST, the Registrar with a copy to the Issuer. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;

- (ii) specify the number of the account with the Clearing Agent or, where the Securities are cleared through CREST, the Operator and the Registrar to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent or, where the Securities are cleared through CREST, the Operator and the Registrar to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent or, where the Securities are cleared through CREST, the Operator and the Registrar to be credited with the Cash Amount (if any) for such Securities;
- (v) where the Securities are cleared through CREST, specify the account of the Holder and any such other details as may be required to enable receipt or delivery of any settlement in respect of any Securities other than in cash;
- (vi) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures

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

- (vii) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (h) Verification. In respect of each Notice, the relevant Holder must provide evidence to the Principal Agent or the Swiss Agent, in either case reasonably satisfactory to the Principal Agent or, where the Securities are cleared through CREST, the Registrar of its holding of such Securities.
- (i) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (j) Determinations. Failure properly to complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent or, where the Securities are cleared through CREST, the Registrar and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent or, where the Securities are cleared through CREST, which is not delivered to the Registrar, in each case as provided in the Conditions, shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent or, where the Securities are cleared through CREST, the Registrar, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent or the Swiss Agent or, where the Securities are cleared through CREST, at the time such correction is delivered to the Registrar as provided in the Conditions.

Any Security with respect to which a Notice has not been duly completed and delivered in the manner set out above by the time specified in this Product Condition 3 shall become void.

The Principal Agent or, where the Securities are cleared through CREST, the

Registrar shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent nor, where the Securities are cleared through CREST, the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (k) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent or, where the Securities are cleared through CREST, the Registrar, as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (l) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and none of the Issuer, any Agent nor, 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 nor, 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.
- (m) Method of Payment. Subject as provided below, where any amount 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. 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.

- (n) 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 shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. Where the Securities are cleared through CREST, General Condition 20 shall apply.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“Market Disruption Event” means: (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or (ii) the occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise), (A) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise

exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (i), (ii), (iii) or (iv) below.
- (i) If the Index is: (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) 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 the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
- (ii) If: (A) on or prior to the Valuation Date or Issuer Call Date, as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date or Issuer Call Date the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or publish the Index; then (in either case) the Calculation Agent shall determine the Final Reference Price or the Termination Reference Price using, in lieu of a published level for the Index on the Valuation Date or the Issuer Call Date, as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or shall terminate the Securities by giving notice in accordance with General Condition 4.

- (iii) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order so to account for: (A) a distribution or dividend to existing holders of the shares or other securities comprising the Index (the “**Shares**”) of: (i) Shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders of the Shares by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the relevant issuer of the Shares has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Shares at a time when the relevant issuer of the Shares has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer of the Shares, provided that, in all cases, the related ex-dividend date occurs during the period from but including the Launch Date up to and excluding the Valuation Date; (G) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (H) any other similar event having a dilutive or concentrative effect on the theoretical value of the Shares.
- (iv) The Issuer reserves the right to issue further Securities, make

adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.

The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

The Final Terms applicable to any Series of Securities may specify amendments to these Product Conditions in so far as they apply to that Series. Notwithstanding the foregoing, consideration will be given as to whether such amendments constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus (as defined in the Final Terms) under Article 16 of Directive 2003/71/EC.

ANNEX B

CONDITIONS: PRODUCT CONDITIONS RELATING TO INDEX OPEN END BOOSTER SHORT CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the applicable Final Terms and the General Conditions (whether or not attached to this document). The applicable Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities and attached to any Global Security representing the Securities.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s) each as specified in the applicable Final Terms, and/or The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland (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 Condition 12;

“**Business Day**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Calculation Period**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the current Trading Day;

“**Cash Amount**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

(a) Upon Exercise:

$(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Exercise Cash Amount**”); or

(b) Upon an Issuer Call:

$(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Amount**”),

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if an Exchange Rate

is specified in the applicable Final Terms, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearing Agent**” means each clearing agent and clearance system specified as such in the applicable Final Terms and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

“**Current Financing Level**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each Trading Day, in accordance with the following formula:

- (a) the Current Financing Level on the immediately preceding Trading Day; plus
- (b) Funding Cost; minus
- (c) if specified to be applicable in the definition of the relevant Series in the applicable Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the definition of the relevant Series in the applicable Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

The Current Financing Level on the Launch Date is the level specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Current Spread**” means the rate (expressed as a per annum percentage rate) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions including (but not limited to) the liquidity of the global financial markets, the availability and cost of capital and credit, interest rates, the imposition or announcement of any (additional) legislation and/or regulation, which requires higher capital ratio requirements for banks and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on any Trading Day, subject to the “**Maximum Spread**” (as specified in the definition of the relevant Series in the applicable Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the Index or hedging the Securities with futures materially exceeds such market rate as of the Launch Date, the Current Spread may be increased to reflect this change, subject to the Maximum Spread). The Current Spread on the Launch Date is the spread specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Emerging Market Disruption Event**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, each of the following events:

- (i) Moratorium. 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; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed 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 money borrowed 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 money borrowed 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 money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) 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 (B) 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; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. 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; or

- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

“Entitlement” means the number specified as such in the definition of the relevant Series in the applicable Final Terms, subject to any adjustment in accordance with Product Condition 4;

“Exchange” means each exchange or quotation system from which the Index Sponsor takes the prices of the shares or other securities that comprise the Index (the **“Shares”**) to compute the Index or any successor to such exchange or quotation system;

“Exchange Rate” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement 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;

“Exercise” means a Holder’s right to exercise the Securities, in accordance with Product Condition 3;

“Exercise Date” means, subject to a Stop Loss Event, the third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3;

“Exercise Time” means the time specified as such in the definition of the relevant Series in the applicable Final Terms;

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration,

securities transfer and/or other taxes or duties, arising in connection with (a) the exercise of such Security and/or (b) any payment or delivery due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Final Terms**” means the document containing the specific terms relating to the Securities;

“**Financing Level Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Funding Cost**” means, subject to adjustment in accordance with Product Condition 4, an amount, as determined by the Calculation Agent on each Trading Day, equal to:

- (a) Rate minus Current Spread; multiplied by
- (b) the Current Financing Level on the immediately preceding Trading Day; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period, divided by 360.

The Funding Cost may be a negative number;

“**Governmental Authority**” is any de facto or de jure government (or 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 country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Index**” means the index specified as such in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Index Sponsor**” means 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 the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“Issue Date” means the date specified as such in the applicable Final Terms;

“Issuer” means The Royal Bank of Scotland N.V. incorporated in The Netherlands with its statutory seat in Amsterdam acting through its principal office or its branch in London or such further or other branches as may be specified in the applicable Final Terms;

“Issuer Call” means termination of the Securities by the Issuer in accordance with Product Condition 3;

“Issuer Call Commencement Date” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant;

“Issuer Call Notice Period” means the period specified as such in the definition of the relevant Series in the applicable Final Terms;

“Launch Date” means the date specified as such in the applicable Final Terms;

“Market Disruption Event” means each event specified as such in Product Condition 4, any Additional Market Disruption Event specified in the definition of the relevant Series in the applicable Final Terms and any Emerging Market Disruption Event;

“Notional Dividend Amount” means, if “Notional Dividend Amount” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, an amount as determined by the Calculation Agent, equal to the sum of the cash dividends and/or other cash distributions in respect of the Shares which have an ex-dividend date occurring during

the Calculation Period without regard to any withholding tax or other deductions multiplied by the prevailing dividend percentage payable under market standard stock borrow agreements, as determined by the Calculation Agent in its sole and absolute discretion. The Notional Dividend Amount, if not expressed in the Financing Level Currency, shall be converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financial Level Currency and the currency of such cash dividend or other cash distribution;

“Payment 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 the principal financial centre for 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 is open;

“Pricing Date” means the date specified as such in the applicable Final Terms, subject to adjustment by the Issuer in adverse market conditions if, in the opinion of the Issuer, circumstances so require;

“Rate” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency in the inter-bank market with a maturity of either three months, one month or overnight, as selected by the Calculation Agent in its sole and absolute discretion or such other maturity as selected by the Calculation Agent in its sole and absolute discretion and notified to the Holders in accordance with General Condition 4;

“Related Exchange” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“Relevant Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an American Depository Receipt (“**ADR**”) or Global Depository Receipt (“**GDR**”), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

“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 Number of Trading Days” means the number of Trading Days, if any, specified as such in the definition of the relevant Series in the applicable Final Terms;

“Securities” means the index open end booster short certificates specified in the applicable Final Terms and each such certificate a **“Security”**. References to the terms **“Securities”** and **“Security”** shall be construed severally with respect to each Series specified in the applicable Final Terms;

“Securities Exchange” means the exchange or quotation system specified as such in the definition of the relevant Series in the applicable Final Terms;

“Series” means each series of Securities set out in the applicable Final Terms;

“Settlement Currency” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“Settlement Date” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“Standard Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, 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;

“Stop Loss Event” occurs if, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the level of the Index (which shall be deemed to be a monetary value in the Financing Level Currency) is at any time on any Trading Day, from and including the Launch Date, and other than at the Stop Loss Reset Time or a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Level subject to any adjustment in accordance with Product Condition 4. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion;

“Stop Loss Level” means in respect of any day and subject to adjustment in accordance with

Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Current Financing Level as determined by the Calculation Agent in its sole and absolute discretion. The Stop Loss Level shall be rounded in the manner specified in the applicable Final Terms;

“**Stop Loss Reset Time**” means the regular weekday opening time of the Securities Exchange;

“**Termination Reference Price**” means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the level of the Index at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Trading Day**” means any day on which the Index Sponsor should calculate and publish the closing level of the Index according to its rules;

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms unless, in the determination of the Calculation Agent, a Market Disruption Event (including an Emerging Market Disruption Event) has occurred on that day in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event (including an Emerging Market Disruption Event)) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event (including an Emerging Market Disruption Event)); and (b) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means the time with reference to which the Index Sponsor calculates the closing level of the Index, or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings

ascribed to them in the General Conditions.

2. FORM

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

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). 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 Condition 4.

Any indication herein 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 Conditions and/or the applicable Final Terms, 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.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in

the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, 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 (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as 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 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 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

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 (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

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 or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES.

- (a) Exercise. Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable on any Exercise Date by delivery of a Notice (as defined below) prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically with a value of zero and the Issuer shall give notice to Holders

in accordance with General Condition 4. For the avoidance of doubt, upon the occurrence of a Stop Loss Event, the Holders shall not be entitled to any payment in respect of the Securities and the Issuer shall have no further obligations in respect thereof. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date or Valuation Date as the case may be.

- (c) Issuer Call. Provided no Stop Loss Event has occurred, the Issuer may terminate the Securities, in whole but not in part, on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (d) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive, from the Issuer on the Settlement Date either:
 - (i) the Exercise Cash Amount, following a valid Exercise; or
 - (ii) the Issuer Call Cash Amount, following a valid Issuer Call
- (e) 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.
- (f) 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 Cash Amount.
- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent or the Swiss Agent or, where the Securities are cleared through CREST, the Registrar with a copy to the Issuer. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

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

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

- (vii) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (h) **Verification.** In respect of each Notice, the relevant Holder must provide evidence to the Principal Agent or the Swiss Agent, in either case reasonably satisfactory to the Principal Agent or, where the Securities are cleared through CREST, the Registrar of its holding of such Securities.
- (i) **Settlement.** The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (j) **Determinations.** Failure properly to complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent or, where the Securities are cleared through CREST, the Registrar and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent or, where the Securities are cleared through CREST, which is not delivered to the Registrar, in each case as provided in the Conditions, shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent or, where the Securities are cleared through CREST, the Registrar, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent or the Swiss Agent or, where the Securities are cleared through CREST, at the time such correction is delivered to the Registrar as provided in the Conditions.

Any Security with respect to which a Notice has not been duly completed and delivered in the manner set out above by the time specified in this Product Condition 3 shall become void.

The Principal Agent or, where the Securities are cleared through CREST, the Registrar shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent nor, where the Securities are cleared through CREST, the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (k) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent or, where the Securities are cleared through CREST, the Registrar, as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (l) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and none of the Issuer, any Agent nor, 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 nor, 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.
- (m) Method of Payment. Subject as provided below, where any amount 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. 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.

- (n) 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 shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. Where the Securities are cleared through CREST, General Condition 20 shall apply.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“Market Disruption Event” means: (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or (ii) the occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise), (A) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular

business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (i), (ii), (iii) or (iv) below.
- (i) If the Index is: (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) 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 the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
- (ii) If: (A) on or prior to the Valuation Date or the Issuer Call Date, as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date or Issuer Call Date the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or publish the Index; then (in either case) the Calculation Agent shall determine the Final Reference Price or the Termination Reference Price using, in lieu of a published level for the Index on the Valuation Date or the Issuer Call Date, as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index

so calculated and announced or shall terminate the Securities by giving notice in accordance with General Condition 4.

- (iii) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order so to account for: (A) a distribution or dividend to existing holders of the shares or other securities comprising the Index (the “**Shares**”) of: (i) Shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders of the Shares by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the relevant issuer of the Shares has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Shares at a time when the relevant issuer of the Shares has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer of the Shares, provided that, in all cases, the related ex-dividend date occurs during the period from but including the Launch Date up to and excluding the Valuation Date; (G) a distribution of cash dividends on the Shares equal to or greater than 8 per cent per annum of the then current market value of the Shares; (H) any other similar event having a dilutive or concentrative effect on the theoretical value of

the Shares.

- (iv) The Issuer reserves the right to issue further Securities, make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.

The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

The Final Terms applicable to any Series of Securities may specify amendments to these Product Conditions in so far as they apply to that Series. Notwithstanding the foregoing, consideration will be given as to whether such amendments constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus (as defined in the Final Terms) under Article 16 of Directive 2003/71/EC.

ANNEX C

INDEX OPEN END BOOSTER CERTIFICATES

Series:	<i>[Index] Open End Booster [Long][Short] Certificates Series []</i>
Issue Price:	[]
Additional Market Disruption Events:	[None] <i>[specify]</i>
Business Day:	[As specified in Product Condition 1] <i>[specify other]</i>
Cash Amount:	[As specified in Product Condition 1] <i>[specify other]</i>
Index:	[] (Bloomberg Page: [])
Current Financing Level on the Launch Date:	[]
Current Spread on the Launch Date:	[]
Emerging Market Disruption Events:	[As stated in Product Condition 1] <i>[specify other]</i>
Entitlement:	[]
Exercise Time:	[10.00am Central European Time]
Final Reference Price:	[As specified in Product Condition 1] <i>[specify other]</i>
Financing Level Currency:	[]
Issuer Call Commencement Date:	[one Business Day following the Launch Date][the first Business Day that is three calendar months following the Launch Date]
Issuer Call Notice Period:	[one year]
Maximum Spread:	[]
Notional Dividend Amount:	[Applicable] [Not Applicable]
Relevant Currency:	[As stated in Product Condition 1] <i>[specify other]</i>
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Securities Exchange:	[Euronext Amsterdam by NYSE Euronext] <i>[specify other]</i>
Settlement Currency:	[]

Settlement Date:	[Up to the fifth Business Day following the Valuation Date or the Issuer Call Date, as the case may be]
Standard Currency:	[As stated in Product Condition 1] [<i>specify other</i>]
Stop Loss Event:	[As specified in Product Condition 1][<i>specify other</i>]
Stop Loss Level Rounding:	[[upwards] ¹ [downwards] ² to the next [two] decimal places [(or, where the Financing Level Currency is JPY, one decimal place) of the Financing Level Currency]] [<i>specify other</i>]
Valuation Date(s):	[The last Trading Day of March in each year, commencing at least one calendar year after the][Launch] [Date]
Amendments to General Conditions and/or Product Conditions:	[Not Applicable] [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formulae; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interests of the holders of Securities.] <i>(When making any such amendments consideration should be given to as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Securities:	[] <i>(When making any such amendments consideration should be given to as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
ISIN:	[]

¹ if long certificate
² if short certificate

Common Code: []

Fondscod: []

Other Securities Code: [*Symbol*:]

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred 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.

INFORMATION ON THE UNDERLYING

Performance of Underlying/formula/other variable, explanation of effect on value of investment and associated risks and other information concerning the Underlying: [Need to include details of where past and future performance and volatility of the Underlying/formula/other variable can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]

(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 Prospectus under Article 16 of the Prospectus Directive.)

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: [*Index*] *Open End Booster* [*Long*][*Short*]
Certificates Series []

[*repeat as above for each new Series*]