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**LaunchPAD Programme**

**Supplementary Prospectus dated 19 March 2012**

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**FIFTEENTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE  
LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF TURBOS**



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**The Royal Bank of Scotland plc**

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

**The Royal Bank of Scotland plc**

**LaunchPAD Programme**

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1. This Supplement dated 19 March 2012 (this **Supplement**) constitutes the fifteenth supplement to the base prospectus dated 27 May 2011 in relation to the Issuer's LaunchPAD Programme for the issuance of Turbos approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 26 May 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 amend the Product Conditions and form of Final Terms in relation to Constant Leverage Turbo Certificates on an Index. Accordingly, by virtue of this Supplement, the following amendments are made to the Base Prospectus:
- (a) The Product Conditions on pages 100 to 429 shall be amended as follows:
    - (i) the Product Conditions relating to Constant Leverage Turbo Long Certificates on an Index, shall be amended to amend the definitions of “Current Participation Factor”, “Funding Cost”, “Rate”, “Stop Loss Level”, “Stop Loss Observation Period” and “Stop Loss Termination Valuation Period” and to add the definition of “Entitlement” (the Product Conditions, as amended, are shown in black-line form in Annex A to this Supplement); and
    - (ii) the Product Conditions relating to Constant Leverage Turbo Short Certificates on an Index shall be amended to amend the definitions of “Current Participation Factor”, “Funding Cost”, “Notional Dividend Amount”, “Rate”, “Stop Loss Level” “Stop Loss Observation Period”, “Stop Loss Termination Reference Price” and “Stop Loss Termination Valuation Period” to add the definition of “Entitlement” (the Product Conditions, as amended, are set out in black-line form in Annex B to this Supplement); and
  - (b) The form of Final Terms on pages 429 to 468 shall be amended as follows:
    - (i) the form of final terms for Constant Leverage Turbo Long Certificates on an Index shall be amended to conform with the amendments to the Product Conditions set forth in 6(a)(i) above, and, as amended, are set out in black-line form in Annex C to this Supplement; and
    - (ii) the form of final terms for Constant Leverage Turbo Short Certificates on an Index shall be amended to conform with the amendments to the Product Conditions set forth in 6(a)(ii) above, and, as amended, are set out in black-line form in Annex D 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](mailto: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 plc**

## ANNEX A

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### CONDITIONS: PRODUCT CONDITIONS RELATING TO CONSTANT LEVERAGE TURBO LONG CERTIFICATES ON AN INDEX

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*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, 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;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, 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 and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Fee**” means, the percentage fee per annum specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 (together the “**Clearing Agents**”);

“**Current Financing Level**” means, unless otherwise specified in the definition of the relevant Series

in the applicable Final Terms, 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, and provided, in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, in accordance with the following formula:

$$CFL_t = \left( 1 - \left( \frac{1}{TLF} \right) \right) \times RP_{t-1} + FC_t - D_t$$

Where:

“**CFLt**” means the Current Financing Level on such Trading Day;

“**Dt**” means (i) zero, where Notional Dividend Amount is specified as being “Not Applicable” or (ii) the Notional Dividend Amount in respect of such Trading Day, where Notional Dividend Amount is specified as being “Applicable”;

“**FCt**” means the Funding Cost in respect of such Trading Day;

“**TLF**” means the Target Leverage Factor; and

“**RPt-1**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

On the Launch Date the Current Financing Level shall be the Initial Financing Level.

“**Current Participation Factor**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, and subject to adjustment in accordance with Product Condition 4, a number calculated on each Trading Day, provided in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, in accordance with the following formula:

$$\cancel{CPF_t} = \cancel{CPF_{t-1}} \times \frac{SV_{t-1}}{(RP_{t-1} - CFL_t)}$$

$$\underline{CPF_t = \frac{SV_{t-1}}{(RP_{t-1} / TLF)}}$$

Where:

~~“**CFLt**” means the Current Financing Level on such Trading Day;~~

“**CPFt**” means the Current Participation Factor on such Trading Day;

~~“**CPFt-1**” means the Current Participation Factor on the immediately preceding Trading Day;~~

“**SVt-1**” means the Security Value at the Valuation Time on the immediately preceding Trading Day;

~~“**TLF**” means the Target Leverage Factor;~~ and

“**RPt-1**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

On the Launch Date the Current Participation Factor shall be the Initial Participation Factor;

**“Current Spread”** means 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 will not exceed 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 but the Maximum Spread is fixed and may not be increased). 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 the exchange or quotation system from which the Index Sponsor takes the prices of the shares that comprise the Index (the “Shares”) to compute the Index or any successor to such exchange or quotation system;

“Exchange Rate” means, where 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 the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 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 equal to the Reference Price at the Valuation Time on the Valuation Date;

“**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:

$$\cancel{FC_t = \left(1 - \left(\frac{1}{TLF}\right)\right) \times RP_{t-1} \times \left(\left(\cancel{Rate_{t-1}} + \cancel{c_{t-1}} + CF\right) \times \cancel{DCF_{(t-1,t)}}\right)}$$
$$FC_t = \left(1 - \left(\frac{1}{TLF}\right)\right) \times RP_{t-1} \times \left(\left(Rate_{t-1} + c_{t-1} + CF\right) \times DCF_{(t-1,t)}\right)$$

Where:

“**FC<sub>t</sub>**” means the Funding Cost at the Valuation Time on such Trading Day;

“**c<sub>t-1</sub>**” means the Current Spread at the Valuation Time on the immediately preceding Trading Day;

“**DCF<sub>(t-1,t)</sub>**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) such Trading Day, divided by 360;

“**Rate<sub>t-1</sub>**” means the Rate at the Valuation Time on the immediately preceding Trading Day;

“**TLF**” means the Target Leverage Factor;

“**RP<sub>t-1</sub>**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

and

“**CF**” means Certificate Fee.

“**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 relevant Index and (b) announces (directly or through an agent) the level of the relevant 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;

“**Initial Financing Level**” means the level specified as such in the definition of the relevant Series in the applicable Final Terms, subject to adjustment in accordance with Product Condition 4;

“**Initial Participation Factor**” means the amount specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Initial Stop Loss Level**” means the level specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Issue Price**” means the amount as specified in the definition of the relevant Series in the applicable Final Terms;

“**Issuer**” means The Royal Bank of Scotland plc incorporated in Scotland with its statutory seat in Edinburgh;

“**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 by the Issuer 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 definition of the relevant Series in the applicable Final Terms;

“**Market Disruption Event**” means each event specified as such in Product Condition 4, any Additional Market Disruption Event specified as such 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 (in the Financing Level Currency or if not in the Financing Level Currency, converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financing Level Currency and the relevant currency of such declared amounts) as determined by the Calculation Agent, equal to the cash dividends and/or other cash distributions in respect of the Shares which have an ex-dividend date occurring during the period from (but excluding) the immediately preceding Trading Day to (and including) the current Trading Day, net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty without regard to any tax credits;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in 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;

“**Rate**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, 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~~the rate specified as such in the definition of the relevant Series in the applicable Final Terms, as determined by the Calculation Agent in its sole and absolute discretion, or such other rate as selected by the Calculation Agent in its sole and absolute discretion and notified to the Holders in accordance with Product Condition 4;~~

**“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 any time on any Trading Day 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;

**“Related Exchange”** means the 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 Depositary Receipt (“**ADR**”) or Global Depositary 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;

**“Screen Page”** means the page specified as such in the definition of the relevant Series in the applicable Final Terms;

**“Securities”** means each Series of the Constant Leverage Turbo Long Certificates relating to the Index specified in the applicable Final Terms and each 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;

“**Security Value**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the fair market value of a Security as determined by the Calculation Agent and published by Bloomberg on the Screen Page specified as such in the definition of the relevant Series in the applicable Final Terms, or such other information source or page selected by the Issuer and notified to Holders from time to time in accordance with Product Condition 4, subject to adjustment by the Calculation Agent in the event of material inaccuracy or mistake in relation to such published level or in such other circumstances as the Calculation Agent deems appropriate, acting in good faith and in a commercially reasonable manner;

“**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, 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 during the Stop Loss Observation Period, 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 on the Launch Date, the Initial Stop Loss Level and thereafter, provided, in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, an amount calculated on each Trading Day at the Stop Loss Reset Time in accordance with the formula specified in the definition of the relevant Series (which shall be deemed to be a monetary value in the Financing Level Currency, rounded in accordance with the Stop Loss Rounding Convention), subject to adjustment in accordance with Product Condition 4, determined by the Calculation Agent in its sole and absolute discretion;

“**Stop Loss Observation Period**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the period from (and including) 8:00am Central European Time on the Launch Date to (and including) the Valuation Time on any Valuation Date or Issuer Call Date,

as the case may be, 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;

“**Stop Loss Premium Rate**” means the percentage specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Stop Loss Reset Time**” means the time specified as such in the definition of the relevant Series in the applicable Final Terms or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4;

“**Stop Loss Rounding Convention**” means in respect of the Stop Loss Level, either up or down to the nearest 0.1, 1, 10, 100 or 1000 points, as specified in the definition of the relevant Series in the applicable Final Terms;

“**Stop Loss Termination Reference Price**” 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), as determined by the Calculation Agent in its sole and absolute discretion on the occurrence of a Stop Loss Event, equal to the fair value level of the Index, by reference to unwinding the hedging position on a best efforts basis. The Stop Loss Termination Reference Price shall be at least the lowest level of the Index on any Trading Day during the Stop Loss Termination Valuation Period;

“**Stop Loss Termination Valuation Period**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the period from and including the Trading Day on which the Stop Loss Event occurs and the immediately succeeding Trading Day or if such Stop Loss Event occurs at or around the Valuation Time, the 2 succeeding Trading Days;

“**Target Leverage Factor**” means the number specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Termination Reference Price**” means an amount equal to the Reference Price at the Valuation Time on the Issuer Call Date;

“**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 specified as such in the definition of the relevant Series in the applicable Final Terms 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**”). 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. Notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following the occurrence of a Stop Loss Event, the Securities

shall terminate automatically and the Issuer shall give notice in accordance with Product Condition 4. A Stop Loss Event shall override an Issuer Call and/or due exercise, if the Stop Loss Event occurs prior to 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, termination pursuant to an Issuer Call or following a Stop Loss Event 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; or
  - (iii) The Stop Loss Cash Amount, following a Stop Loss Event.
- (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 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 published 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, the occurrence of a Stop Loss Event 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, the occurrence of a Stop Loss Event 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, the Stop Loss Termination Reference Price, the Termination Reference Price or the Reference Price using, in lieu of a published level for the Index on the Valuation Date, the Issuer Call Date, during the Stop Loss Termination Valuation Period or on any other relevant Trading Day, 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: (aa) Shares; or (bb) 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 (cc) 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 and including the Launch Date up to but excluding the Valuation Date, Issuer Call Date or the date on which the Stop Loss Event occurs, as the case may be; (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 dilutive or concentrative effect on the theoretical value of the Shares.

(iv) The Issuer reserves the right to 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.

(c) 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

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### CONDITIONS: PRODUCT CONDITIONS RELATING TO CONSTANT LEVERAGE TURBO SHORT CERTIFICATES ON AN INDEX

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*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, 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;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, 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 and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Fee**” means, the percentage fee per annum specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 (together the “**Clearing Agents**”);

“**Current Financing Level**” means, unless otherwise specified in the definition of the relevant Series



in the applicable Final Terms, 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, and provided, in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, in accordance with the following formula:

$$CFL_t = \left( 1 + \left( \frac{1}{TLF} \right) \right) \times RP_{t-1} + FC_t - D_t$$

Where:

“**CFLt**” means the Current Financing Level on such Trading Day;

“**Dt**” means (i) zero, where Notional Dividend Amount is specified as being “Not Applicable” or (ii) the Notional Dividend Amount in respect of such Trading Day, where Notional Dividend Amount is specified as being “Applicable”;

“**FCt**” means the Funding Cost in respect of such Trading Day;

“**TLF**” means the Target Leverage Factor; and

“**RPt-1**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

On the Launch Date the Current Financing Level shall be the Initial Financing Level.

“**Current Participation Factor**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, and subject to adjustment in accordance with Product Condition 4, a number calculated on each Trading Day, provided in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, in accordance with the following formula:

$$\cancel{CPF_t} = \cancel{CPF_{t-1}} \times \frac{SV_{t-1}}{(CFL_t - RP_{t-1})}$$

$$\underline{CPF_t = \frac{SV_{t-1}}{(RP_{t-1} / TLF)}}$$

Where:

~~“**CFLt**” means the Current Financing Level on such Trading Day;~~

“**CPFt**” means the Current Participation Factor on such Trading Day;

~~“**CPFt-1**” means the Current Participation Factor on the immediately preceding Trading Day;~~

“**SVt-1**” means the Security Value at the Valuation Time on the immediately preceding Trading Day;

“**TLF**” means the Target Leverage Factor and

“**Rpt-1**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

On the Launch Date the Current Participation Factor shall be the Initial Participation Factor;

“**Current Spread**” means 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 will not exceed 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 but the Maximum Spread is fixed and may not be increased). 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 the exchange or quotation system from which the Index Sponsor takes the prices of the shares that comprise the Index (the “Shares”) to compute the Index or any successor to such exchange or quotation system;

“Exchange Rate” means, where 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 the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 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 equal to the Reference Price at the Valuation Time on the Valuation Date;

“**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:

$$FC_t = \left(1 + \left(\frac{1}{TLF}\right)\right) \times RP_{t-1} \times \left(\left(\text{Rate}_{t-1} - c_{t-1} - CF\right) \times DCF_{(t-1,t)}\right)$$

$$FC_t = \left(1 + \left(\frac{1}{TLF}\right)\right) \times RP_{t-1} \times \left(\left(\text{Rate}_{t-1} - c_{t-1} - CF\right) \times DCF_{(t-1,t)}\right)$$

Where:

“**FC<sub>t</sub>**” means the Funding Cost at the Valuation Time on such Trading Day;

“**c<sub>t-1</sub>**” means the Current Spread at the Valuation Time on the immediately preceding Trading Day;

“**DCF<sub>(t-1,t)</sub>**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) such Trading Day, divided by 360;

“**Rate<sub>t-1</sub>**” means the Rate at the Valuation Time on the immediately preceding Trading Day;

“**TLF**” means the Target Leverage Factor;

“**RP<sub>t-1</sub>**” means the Reference Price at the Valuation Time on the immediately preceding Trading Day;

and

“**CF**” means Certificate Fee.

“**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 relevant Index and (b) announces (directly or through an agent) the level of the relevant 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;

“**Initial Financing Level**” means the level specified as such in the definition of the relevant Series in the applicable Final Terms, subject to adjustment in accordance with Product Condition 4;

“**Initial Participation Factor**” means the amount specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Initial Stop Loss Level**” means the level specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Issue Price**” means the amount as specified in the definition of the relevant Series in the applicable Final Terms;

“**Issuer**” means The Royal Bank of Scotland plc incorporated in Scotland with its statutory seat in Edinburgh;

“**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 by the Issuer 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 definition of the relevant Series in the applicable Final Terms;

**“Market Disruption Event”** means each event specified as such in Product Condition 4, any Additional Market Disruption Event specified as such 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 (in the Financing Level Currency or if not in the Financing Level Currency, converted into the Financing Level Currency at the prevailing spot rate of exchange between the Financing Level Currency and the relevant currency of such declared amounts) 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 period from (but excluding) the immediately preceding Trading Day to (and including) the current Trading Day, ~~net of applicable~~without regard to any withholding taxes 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 at a rate adjusted by application of any relevant double tax treaty without regard to any tax credits;

**“Payment Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in 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;

**“Rate”** means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, 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 the rate specified as such in the definition of the relevant Series in the applicable Final Terms, as determined by the Calculation Agent in its sole and absolute discretion, or such other rate as selected by the Calculation Agent in its sole and absolute discretion and notified to the Holders in accordance with Product Condition 4;~~

“**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 any time on any Trading Day 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;

“**Related Exchange**” means the 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 Depositary Receipt (“**ADR**”) or Global Depositary 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;

“**Screen Page**” means the page specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Securities**” means each Series of the Constant Leverage Turbo Short Certificates relating to the Index specified in the applicable Final Terms and each 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;

“**Security Value**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the fair market value of a Security as determined by the Calculation Agent and published by Bloomberg on the Screen Page specified as such in the definition of the relevant Series in the applicable Final Terms, or such other information source or page selected by the Issuer and notified to Holders from time to time in accordance with Product Condition 4, subject to adjustment by the Calculation Agent in the event of material inaccuracy or mistake in relation to such published level or in such other circumstances as the Calculation Agent deems appropriate, acting in good faith and in a commercially reasonable manner;

“**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, 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 during the Stop Loss Observation Period, equal to or greater than 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 on the Launch Date, the Initial Stop Loss Level and thereafter, provided, in the determination of the Calculation Agent, no Stop Loss Event has occurred and no Market Disruption Event has occurred and is continuing, an amount calculated on each Trading Day at the Stop Loss Reset Time in accordance with the formula specified in the definition of the relevant Series (which shall be deemed to be a monetary value in the Financing Level Currency, rounded in accordance with the Stop Loss Rounding Convention), subject to adjustment in accordance with



Product Condition 4, determined by the Calculation Agent in its sole and absolute discretion;

“**Stop Loss Observation Period**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the period from (and including) 8:00am Central European Time on the Launch Date to (and including) the Valuation Time on any Valuation Date or Issuer Call Date, as the case may be, 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;

“**Stop Loss Premium Rate**” means the percentage specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Stop Loss Reset Time**” means the time specified as such in the definition of the relevant Series in the applicable Final Terms or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4;

“**Stop Loss Rounding Convention**” means in respect of the Stop Loss Level, either up or down to the nearest 0.1, 1, 10, 100 or 1000 points, as specified in the definition of the relevant Series in the applicable Final Terms;

“**Stop Loss Termination Reference Price**” 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), as determined by the Calculation Agent in its sole and absolute discretion on the occurrence of a Stop Loss Event, equal to the fair value level of the Index, by reference to unwinding the hedging position on a best efforts basis. The Stop Loss Termination Reference Price shall be at most least the highest level of the Index on any Trading Day during the Stop Loss Termination Valuation Period;

“**Stop Loss Termination Valuation Period**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the period from and including the Trading Day on which the Stop Loss Event occurs and the immediately succeeding Trading Day or if such Stop Loss Event occurs at or around the Valuation Time, the 2 succeeding Trading Days;

“**Target Leverage Factor**” means the number specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Termination Reference Price**” means an amount equal to the Reference Price at the Valuation Time on the Issuer Call Date;

“**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 specified as such in the definition of the relevant Series in the applicable Final Terms 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**”). 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. Notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following the occurrence of a Stop Loss Event, the Securities shall terminate automatically and the Issuer shall give notice in accordance with Product Condition 4. A Stop Loss Event shall override an Issuer Call and/or due exercise, if the Stop Loss Event occurs prior to 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, termination pursuant to an Issuer Call or following a Stop Loss Event 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; or
  - (iii) The Stop Loss Cash Amount, following a Stop Loss Event.
- (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 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 published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index used 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, the occurrence of a Stop Loss Event 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, the occurrence of a Stop Loss Event 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, the Stop Loss Termination Reference Price, the Termination Reference Price or the Reference Price using, in lieu of a published level for the Index on the Valuation Date, the Issuer Call Date, during the Stop Loss Termination Valuation Period or on any other relevant Trading Day, 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: (aa) Shares; or (bb) 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 (cc) 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 and including the Launch Date up to but excluding the Valuation Date, Issuer Call Date or the date on which the Stop Loss Event occurs, as the case may be; (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 dilutive or concentrative effect on the theoretical value of the Shares.

(iv) The Issuer reserves the right to 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.

(c) 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

**CONSTANT LEVERAGE TURBO LONG INDEX CERTIFICATES**

Series:	<i>[Index] Constant Leverage Turbo Long Certificates Series [ ]</i>
Additional Market Disruption Events:	[None] <i>[specify]</i>
Business Day:	[As stated in Product Condition 1] <i>[specify other]</i>
Cash Amount:	<p>(a) Upon Exercise:</p> <p><math>(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Current Participation Factor} \times \text{Entitlement}</math> (the “<b>Exercise Cash Amount</b>”); or</p> <p>(b) Upon an Issuer Call:</p> <p><math>(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Current Participation Factor} \times \text{Entitlement}</math> (the “<b>Issuer Call Cash Amount</b>”); or</p> <p>(c) Following a Stop Loss Event:</p> <p><math>(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Current Participation Factor} \times \text{Entitlement}</math> (the “<b>Stop Loss Cash Amount</b>”)</p> <p><i>[specify other]</i></p>
Certificate Fee:	[0.05% p.a.]
Current Financing Level:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Participation Factor:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Spread:	[ ]%
Emerging Market Disruption Events:	[As stated in Product Condition 1] <i>[specify other]</i>
<b>Entitlement:</b>	<u>[ ]</u>
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date as provided in Product Condition 3] <i>[specify other]</i>
Exercise Time:	[10.00am Central European Time] <i>[specify other]</i>
Final Reference Price:	[As stated in Product Condition 1] <i>[specify other]</i>
Financing Level Currency:	[ ]
Index	[ ] [Bloomberg Code]
Initial Financing Level:	[ ]
Initial Participation Factor:	[ ]
Initial Stop Loss Level	[ ]
Issue Price:	[ ]
Issuer Call Commencement Date:	[The first Business Day following the [six month] period from (and including) the Launch Date] <i>[specify other]</i>

Issuer Call Notice Period:	[Three calendar months] [One calendar year] [specify other]
Launch Date:	[ ]
Maximum Spread:	[ ]%
Notional Dividend Amount:	[Applicable] [Not Applicable]
Rate:	<del>[As stated in Product Condition 1]</del> <del>3-month</del> <del>EURIBOR (EUR003M &lt;Index&gt;)]</del> [specify other]
Reference Price:	[As stated in Product Condition 1] [specify other]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
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]
Screen Page:	[Bloomberg Page: [ ]] [specify other]
Security Value:	[As stated in Product Condition 1][specify other]
Settlement Currency:	[ ]
Settlement Date:	[The fifth Business Day following the Valuation Date, Issuer Call Date or the last day of the Stop Loss Termination Valuation Period, as the case may be or as soon as practicable thereafter]
Standard Currency:	[As stated in Product Condition 1][specify other]
Stop Loss Level:	[(100% - Stop Loss Premium Rate) multiplied by the Reference Price at the <del>Valuation Time</del> <del>Stop Loss</del> <del>Reset Time</del> on the immediately preceding Trading Day] [specify other]
Stop Loss Observation Period:	[As stated in Product Condition 1][specify other]
Stop Loss Premium Rate:	[5%][specify other]
Stop Loss Reset Time:	[The regular weekday opening time on the Exchange] [specify other]
Stop Loss Rounding Convention:	[Up][Down] to the nearest [0.1, 1, 10, 100, 1000] points
Stop Loss Termination Valuation Period:	[As stated in Product Condition 1][specify other]
Target Leverage Factor:	[ ]
Valuation Date(s):	[The last Trading Day of March in each year, commencing at least one year after the Launch Date] [specify other]
Valuation Time:	[The time with reference to which the Index Sponsor calculates the closing level of the Index]
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.]

*(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)*

Amendments to the Offering Procedure for the Securities:

[ ]

*(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)*

ISIN:

[ ]

Common Code:

[ ]

Fondscore:

[ ]

WKN:

[ ]

Valoren:

[ ]

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/ [Need to include details of where past and future

other variable, explanation of effect on value of investment and associated risks and other information concerning the Underlying:

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:

[ ]

Index disclaimer(s):

[ ]

Series:

*[Index] Constant Leverage Turbo Long Certificates Series [ ]*

*[repeat as above for each new Series]*



ANNEX D

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**CONSTANT LEVERAGE TURBO SHORT INDEX CERTIFICATES**

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Series:	<i>[Index] Constant Leverage Turbo Short Certificates Series [ ]</i>
Additional Market Disruption Events:	[None] <i>[specify]</i>
Business Day:	[As stated in Product Condition 1] <i>[specify other]</i>
Cash Amount:	<p>[(a) Upon Exercise:</p> <p><math>((\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Current Participation Factor}) \times \text{Entitlement}</math> (the “<b>Exercise Cash Amount</b>”); or</p> <p>(b) Upon an Issuer Call:</p> <p><math>((\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Current Participation Factor}) \times \text{Entitlement}</math> (the “<b>Issuer Call Cash Amount</b>”); or</p> <p>(c) Following a Stop Loss Event:</p> <p><math>((\text{Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times \text{Current Participation Factor}) \times \text{Entitlement}</math> (the “<b>Stop Loss Cash Amount</b>”)]</p> <p><i>[specify other]</i></p>
Certificate Fee:	[0.05% p.a.]
Current Financing Level:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Participation Factor:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Spread:	[ ]%
Emerging Market Disruption Events:	[As stated in Product Condition 1] <i>[specify other]</i>
<u>Entitlement:</u>	<u>[ ]</u>
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date as provided in Product Condition 3] <i>[specify other]</i>
Exercise Time:	[10.00am Central European Time] <i>[specify other]</i>
Final Reference Price:	[As stated in Product Condition 1] <i>[specify other]</i>
Financing Level Currency:	[ ]
Index	[ ] [Bloomberg Code]
Initial Financing Level:	[ ]
Initial Participation Factor:	[ ]
Initial Stop Loss Level	[ ]
Issue Price:	[ ]
Issuer Call Commencement Date:	[The first Business Day following the [six month] period from (and including) the Launch Date] <i>[specify other]</i>

Issuer Call Notice Period:	[Three calendar months] [One calendar year] [specify other]
Launch Date:	[ ]
Maximum Spread:	[ ]%
Notional Dividend Amount:	[Applicable] [Not Applicable]
Rate:	<u>[As stated in Product Condition 1]</u> <del>[3-month EURIBOR (EUR003M &lt;Index&gt;)]</del> [specify other]
Reference Price:	[As stated in Product Condition 1] [specify other]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
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]
Screen Page:	[Bloomberg Page: [ ]] [specify other]
Security Value:	[As stated in Product Condition 1][specify other]
Settlement Currency:	[ ]
Settlement Date:	[The fifth Business Day following the Valuation Date, Issuer Call Date or the last day of the Stop Loss Termination Valuation Period, as the case may be or as soon as practicable thereafter]
Standard Currency:	[As stated in Product Condition 1][specify other]
Stop Loss Level:	[(100% + Stop Loss Premium Rate) multiplied by the Reference Price at the <u>Valuation Time</u> <del>Stop Loss Reset Time</del> on the immediately preceding Trading Day] [specify other]
Stop Loss Observation Period:	[As stated in Product Condition 1][specify other]
Stop Loss Premium Rate:	[5%][specify other]
Stop Loss Reset Time:	[The regular weekday opening time on the Exchange] [specify other]
Stop Loss Rounding Convention:	[Up][Down] to the nearest [0.1, 1, 10, 100, 1000] points
Stop Loss Termination Valuation Period:	[As stated in Product Condition 1][specify other]
Target Leverage Factor:	[ ]
Valuation Date(s):	[The last Trading Day of March in each year, commencing at least one year after the Launch Date] [specify other]
Valuation Time:	[The time with reference to which the Index Sponsor calculates the closing level of the Index]
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.]

*(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)*

Amendments to the Offering Procedure for the Securities:

[ ]

*(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)*

ISIN:

[ ]

Common Code:

[ ]

Fondscore:

[ ]

WKN:

[ ]

Valoren:

[ ]

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/ [Need to include details of where past and future

other variable, explanation of effect on value of investment and associated risks and other information concerning the Underlying:

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:

[ ]

Index disclaimer(s):

[ ]

Series:

*[Index] Constant Leverage Turbo Short Certificates Series [ ]*

*[repeat as above for each new Series]*