

PROSPECTUS

**The Royal Bank of Scotland plc**

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

**Exercisable Certificates/Warrants and Redeemable Certificates Base Prospectus**

This document comprises a base prospectus (**Prospectus**) in respect of the above instruments (the **Instruments**) to be issued by The Royal Bank of Scotland plc (the **Issuer**) for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

References in the Programme Prospectus (as defined under "Documents Incorporated by Reference") to "Securities" shall be construed for the purposes of this Prospectus to be references to "Instruments" and related expressions in the Programme Prospectus shall be construed accordingly.

This Prospectus has been filed with the Financial Services Authority in its capacity as competent authority under the UK Financial Services and Markets Act 2000 (the **UK Listing Authority**).

Application will, if so specified in the applicable Final Terms, be made to the UK Listing Authority for the Instruments to be admitted to the Official List of the UK Listing Authority, and to the London Stock Exchange plc (the **London Stock Exchange**) for the Instruments to be admitted to trading on the London Stock Exchange's Regulated Market. Such market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). Application may also be made to list or admit to trading the Instruments on any other or additional stock exchange(s) or regulated market(s) as may be specified in the applicable Final Terms (as defined below).

The final terms relevant to an issue of Instruments which are to be admitted to trading on a regulated market as described above or in respect of offers which do not fall within Article 3.2 of the Prospectus Directive will be set out in a document (the **Final Terms**) which will be delivered to the UK Listing Authority and made available, free of charge, to the public at the registered office of the Issuer, and at the offices of the relevant distributor(s) specified in the applicable Final Terms (each a **Distributor** and together the **Distributors**) and Certificate and Warrant Agents.

Any person (an **Investor**) intending to acquire or acquiring any Instruments from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (**FSMA**), the Issuer may only be responsible to the Investor for this Prospectus under section 90 of FSMA if the Issuer has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Prospectus or the applicable Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the Issuer may otherwise have under applicable laws.

**Prospective purchasers of Instruments should ensure that they understand the nature of the relevant Instruments and the extent of their exposure to risks and that they consider the suitability of the Instruments as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Instruments and are not relying on the advice of the Issuer or any Distributor in that regard. See section headed "Risk Factors".**

**Where the Instruments relate to Reference Items which involve emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described under "Risk Factors" may be greater than they would otherwise be in relation to more developed countries.**

**Arranger**

**The Royal Bank of Scotland**

1 April 2011

The Issuer accepts responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with paragraph 5 on the first page of this Prospectus.

Save as described in the section headed "Risk Factors", the Issuer will not be providing any post issuance information in relation to the Instruments.

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons.

The credit ratings included and referred to in this Prospectus have been issued by Moody's Investors Service Limited, which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, although the results of such application has not yet been determined.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or which is inconsistent with this Prospectus or any financial statements or any other information supplied in connection with the Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the relevant Distributor(s).

Neither this Prospectus nor any financial statements or any other information supplied in connection with the Instruments (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the relevant Distributor(s) (if any) that any recipient of this Prospectus or any financial statements or any other information supplied in connection with Instruments should purchase any Instruments. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the suitability of the relevant Instruments as an investment in the light of its own circumstances and financial condition and after due consideration of an investment linked to the Underlying Asset. Neither this Prospectus nor any document incorporated by reference constitutes an offer or invitation by or on behalf of the Issuer or the relevant Distributor(s) (if any) to any person to subscribe for or to purchase any Instruments.

The delivery of this Prospectus does not at any time imply that the information contained in this Prospectus concerning the Issuer is correct at any time subsequent to the date of this Prospectus or that any other information supplied in connection with the Instruments is correct as of any time subsequent to the date indicated in the document containing the same.

Neither the Issuer nor the relevant Distributor(s) (if any) represent that this Prospectus may be lawfully distributed, or that the Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the relevant Distributor(s) (if any) which would permit a public offering of any Instruments or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than in the jurisdiction, specified in the applicable Final Terms, in which such Notes are to be offered (the **Offering Jurisdiction**). Accordingly, the Instruments may not be offered or sold, directly or indirectly,

and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The distribution of this Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Instruments come must inform themselves about, and observe, any such restrictions.

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## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, except the documents incorporated by reference therein, which have been previously published and which have been approved by the Financial Services Authority or filed with it:

- (a) the Prospectus dated 23 September 2010 relating to the Issuer's Certificate and Warrant Programme (except the documents incorporated therein by reference and excluding the sections entitled "Summary of the Programme", "Taxation" and "Form of Final Terms") (the **Programme Prospectus**);
- (b) the supplement to the Programme Prospectus dated 25 February 2011, which updated certain financial information in the summary section of the Programme Prospectus;
- (c) the supplement to the Programme Prospectus dated 18 March 2011, which incorporated by reference into the Programme Prospectus the particular sections of the item specified in paragraph (j) below;
- (d) the supplement to the Programme Prospectus dated 31 March 2011, which incorporated by reference into the Programme Prospectus the item specified in paragraph (g) below and which (on page 2 therein) updated the statement of no significant change in respect of the Issuer;
- (e) the Prospectus dated 1 April 2010 relating to the Issuer's Exercisable Certificates/Warrants and Redeemable Certificates mini-programme, excluding all sections except for the section headed "Terms and Conditions" (as supplemented), in so far as such section relates to any Instruments (if so specified in the applicable Final Terms) and the section headed "Form of Final Terms" (as supplemented), in so far as such section relates to any Instruments;
- (f) the registration document of the Issuer dated 25 February 2011, which was published via the Regulatory News Service of the London Stock Exchange plc (**RNS**) on 25 February 2011 (the **Registration Document**), provided that the section headed "Description of The Royal Bank of Scotland plc — Investigations — US dollar clearing activities" on pages 43 and 44 of the Registration Document, which sets out details of the Deferred Prosecution Agreement (the **DPA**) entered into between The Royal Bank of Scotland N.V. (**RBS N.V.**) and the United States Department of Justice (the **DoJ**) which relates to the previously disclosed criminal investigation into ABN AMRO Bank N.V.'s US dollar clearing activities, Office of Foreign Assets Control compliance procedures and Bank Secrecy Act compliance matters during the period from 1995 to the end of 2007, shall be construed in the light of the following: On 1 April 2011, the Group (defined below) announced via RNS that on 31 March 2011, the DoJ and RBS N.V. filed a joint status report with the U.S. District Court notifying it that the parties would seek an extension of the duration of the DPA until 31 December 2011. The request states that RBS N.V. and the DoJ have agreed to seek the extension to allow RBS N.V. sufficient time to fulfil its obligations under the DPA;
- (g) the unaudited results of the Issuer for the year ended 31 December 2010 (excluding the section headed "Risk Factors" on pages 31 to 61), which were published on 30 March 2011;
- (h) the annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31 December 2009 (excluding the section headed "Risk Factors" on pages 5 to 23) which was published via the RNS on 9 April 2010;
- (i) the annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon) for the financial year ended 31

December 2008 (excluding the section headed "Risk Factors" on pages 4 to 11) which was published via RNS on 27 April 2009;

- (j) the following sections of the 2010 annual report and accounts of RBSG, which were published on 17 March 2011;
  - (i) Independent auditors' report on page 267;
  - (ii) Consolidated income statement on page 268;
  - (iii) Consolidated statement of comprehensive income on page 269;
  - (iv) Balance sheets as at 31 December 2010 on page 270;
  - (v) Statements of changes in equity on pages 271 to 273;
  - (vi) Cash flow statements on page 274;
  - (vii) Accounting policies on pages 275 to 286;
  - (viii) Notes on the accounts on pages 287 to 385;
  - (ix) Essential reading – We have met, and in some cases exceeded, the targets for the second year of our Strategic Plan on page 1;
  - (x) Chairman's statement on pages 2 to 3;
  - (xi) Group Chief Executive's review on pages 4 to 5;
  - (xii) Our key targets on page 7;
  - (xiii) Our business and our strategy on pages 10 to 19;
  - (xiv) Divisional review on pages 21 to 41;
  - (xv) Business review on pages 50 to 224;
  - (xvi) Report of the Directors on pages 230 to 234;
  - (xvii) Corporate governance on pages 235 to 245;
  - (xviii) Letter from the Chair of the Remuneration Committee on pages 246 to 247;
  - (xix) Directors' remuneration report on pages 248 to 263;
  - (xx) Directors' interests in shares on page 264;
  - (xxi) Financial Summary on pages 387 to 395;
  - (xxii) Exchange rates on page 395;
  - (xxiii) Economic and monetary environment on page 396;
  - (xxiv) Supervision on page 397;
  - (xxv) Regulatory developments and reviews on pages 398 to 399;
  - (xxvi) Description of property and equipment on pages 399;
  - (xxvii) Major shareholders on page 399;
  - (xxviii) Material contracts on pages 399 to 404; and
  - (xxix) Glossary of terms on pages 434 to 439.

(k) the following sections of the 2009 annual report and accounts of RBSG, which were published via the RNS on 18 March 2010:

- (i) Independent auditors' report on page 240;
- (ii) Consolidated income statement on page 241;
- (iii) Consolidated statement of comprehensive income on page 242;
- (iv) Balance sheets at 31 December 2009 on page 243;
- (v) Statements of changes in equity on pages 244 to 246;
- (vi) Cash flow statements on page 247;
- (vii) Accounting policies on pages 248 to 258;
- (viii) Notes on the accounts on pages 259 to 348;
- (ix) What we have achieved on page 1 (excluding the financial information on that page which is indicated as being "pro forma");
- (x) Chairman's statement on pages 2 to 3;
- (xi) Group Chief Executive's review on pages 4 to 6;
- (xii) Our strategic plan and progress on pages 12 to 19;
- (xiii) Divisional review on pages 20 to 41;
- (xiv) Business review on pages 49 to 85 and pages 108 to 206 (excluding the financial information on pages 72 to 85 and pages 108 to 116 which is indicated as being "pro forma");
- (xv) Report of the Directors on pages 208 to 213;
- (xvi) Corporate governance on pages 214 to 222;
- (xvii) Letter from the Chairman of the Remuneration Committee on pages 223 to 224;
- (xviii) Directors' remuneration report on pages 225 to 236;
- (xix) Directors' interests in shares on page 237;
- (xx) Impairment review on pages 302 to 303;
- (xxi) Financial Summary on pages 350 to 359;
- (xxii) Exchange rates on page 359;
- (xxiii) Economic and monetary environment on page 360;
- (xxiv) Supervision on page 361;
- (xxv) Regulatory developments and reviews on pages 361 to 362;
- (xxvi) Description of property and equipment on pages 362 to 363;
- (xxvii) Major shareholders on page 363; and
- (xxviii) Glossary of terms on pages 383 to 387;

(l) the following sections of the Shareholder Circular published by RBSG on 27 November 2009 (the "Shareholder Circular"):

- (i) "Financial Information" on page 5;
- (ii) "Part I – Letter From the Chairman of RBS" on pages 10 to 20;
- (iii) "Appendix 2 to the Letter From the Chairman of RBS – Principal Terms and Conditions of the APS" on pages 46 to 75;
- (iv) "Appendix 3 to the Letter From the Chairman of RBS – Principal Terms of Issue of the B Shares and the Dividend Access Share" on pages 76 to 84;
- (v) "Appendix 4 to the Letter From the Chairman of RBS – Key Terms of the State Aid Restructuring Plan" on pages 85 to 86;
- (vi) "Part VI – Definitions" on pages 121 to 133;
- (vii) "Annex 1 – Terms of Issue of the B Shares and the Dividend Access Share" on pages 134 to 170; and
- (viii) "Annex 3 – Scheme Principles" on pages 177 to 181; and

(m) the press release headed "The Royal Bank of Scotland Group plc, The Royal Bank of Scotland plc and National Westminster Bank Plc – Clarification of Contractual Position Relating to Payments Under Preference Shares and Subordinated Securities" published via the RNS on 20 October 2009.

Any document which is incorporated by reference into any of the documents deemed to be incorporated by reference in and form part of this Prospectus, shall not constitute part of this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to the Issuer at its principal office.

In addition, copies of documents incorporated by reference in this Prospectus will be available for viewing on the RNS website at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html>.

## SUMMARY

### The Royal Bank of Scotland plc Exercisable Certificates/Warrants and Redeemable Certificates

This summary must be read as an introduction to this Prospectus and any decision to invest in the Instruments should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. No civil liability in respect of this summary will attach to the Issuer in any Member State of the European Economic Area in which the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) have been implemented unless this summary, including any translation thereof, is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in such a Member State, the plaintiff may, under the national legislation of that Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

#### Description of the Issuer

The Issuer is a public limited company incorporated in Scotland with registration number SC090312. The Issuer (together with its subsidiaries, the **Issuer Group**) is a wholly owned subsidiary of The Royal Bank of Scotland Group plc (**RBSG**, together with its subsidiaries consolidated in accordance with International Financial Reporting Standards, the **Group**). RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, the Group operates in the United Kingdom, the United States and internationally through its three principal subsidiaries, the Issuer, National Westminster Bank Plc (**NatWest**) and The Royal Bank of Scotland N.V. (**RBS N.V.**). Both the Issuer and NatWest are major United Kingdom clearing banks. RBS N.V. is a bank regulated by the Dutch Central Bank. In the United States, the Group's subsidiary, Citizens Financial Group, Inc, is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The Group had total assets of £1,453.6 billion and owners' equity of £75.1 billion as at 31 December 2010. As at 31 December 2010, the Group's capital ratios at that date were a total capital ratio of 14.0 per cent., a Core Tier 1 capital ratio of 10.7 per cent. and a Tier 1 capital ratio of 12.9 per cent.

The Issuer Group had total assets of £1,307 billion and owners' equity of £57.0 billion as at 31 December 2010. As at 31 December 2010, the Issuer Group's capital ratios were a total capital ratio of 13.6 per cent., a Core Tier 1 capital ratio of 8.4 per cent. and a Tier 1 capital ratio of 10.1 per cent.

#### Description of the Instruments

The cash amount (if any) which will be paid to the investor on the Settlement Date or Redemption Date may be linked to the performance of one or more commodities or related forward or futures contracts, currency exchange rates, funds, forward or futures contracts relating to one or more government bonds, indices, inflation indices, property indices, shares or certificates or any combination thereof, if so specified in the applicable Final Terms.

Instruments relating to a single share or range of single shares may be physically settled if "Physical Delivery Instruments" is specified to apply in the applicable Final Terms.

Application will, if so specified in the applicable Final Terms, be made for the Instruments to be admitted to trading on the London Stock Exchange's Regulated Market. Application may also be made to list or admit to trading the Instruments on any other or additional stock exchange(s) or regulated market(s) as may be specified in the applicable Final Terms.

## Return on expiry or redemption

### Cash Amount

If "Cash Settled Instruments" is specified to apply in the applicable Final Terms, when the Instruments are exercised or redeemed (which may be earlier than the Expiration Date or Redemption Date, if so provided in the applicable Final Terms), investors will receive the Cash Amount (if any) on the Settlement Date or Redemption Date (or such other date specified in the applicable Final Terms) determined in accordance with the formula specified in the applicable Final Terms. Exercise of the Instruments (if applicable) will, if so specified in the applicable Final Terms, be automatic, or otherwise be subject to receipt of a duly completed exercise notice.

The Cash Amount may depend upon the difference between (i) the final level and (ii) the initial or other specified level of one or more Reference Items and may be subject to, or otherwise affected by, any cap(s), floor(s), weightings(s), participation or leverage percentage, early termination provisions or performance parameters in respect of one or more Reference Items as may be specified in the applicable Final Terms. In some cases, the Cash Amount may be a fixed amount.

The Cash Amount may also reflect a protected return (the **Protected Return**) based on (i) the performance of one or more Reference Items or (ii) a fixed or other rate which accrues daily, in each case, if so specified in the applicable Final Terms. The Protected Return, or its accrual on any day, may also be subject to a cap, floor or subject to certain conditions being met (such as the aggregate outstanding nominal amount of the Instruments or other securities issued by the Issuer being above a particular level).

The Instruments may or may not be partially or wholly principal protected.

Certain fees or Expenses of the Issuer may apply and result in a lower Cash Amount.

### Physical Settlement

If "Physical Delivery Instruments" is specified to apply in the applicable Final Terms, when the Instruments are exercised or redeemed, investors will receive on the Settlement Date or Redemption Date (or such other date specified in the applicable Final Terms) the relevant number of shares in respect of each share issuer, subject to payment of any Expenses, pursuant to the terms and conditions of the Instruments.

**Expenses** means, in respect of an Instrument, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise or redemption of such Instrument and/or (ii) any payment or delivery due following exercise, redemption or otherwise, as the case may be, in respect of such Instrument.

**Expiration Date** means the date (if any) specified as such in the applicable Final Terms.

**Redemption Date** means the date (if any) specified as such in the applicable Final Terms.

**Reference Items** means each reference item (if any) specified in the applicable Final Terms which may be a commodity or related forward or futures contract, a currency exchange rate, a fund, a forward or futures contract relating to one or more government bonds, an index, an inflation index, a property index, a share or a certificate.

**Settlement Date** means the date (if any) specified as such in the applicable Final Terms.

### Coupon

The Instruments may carry an entitlement to receive interest.

## **Other**

Unless otherwise provided in the applicable Final Terms, the Instruments may only be terminated early for reasons of illegality or tax.

The full terms and conditions contain provisions dealing with non-business days, disruptions and adjustments that may affect the Reference Item(s) (if any).

## **Risk Factors**

### **Risks relating to the Instruments**

Neither the Cash Amount nor any amount payable on cancellation of the Instruments is partially or wholly principal protected unless otherwise specified in the applicable Final Terms. Investors therefore risk losing their entire investment.

The terms of the Instruments may provide that the Cash Amount will be dependent upon the performance of any relevant Reference Item(s), of either itself or themselves, or relative to other Reference Item(s).

The Cash Amount may be geared to the performance of the Reference Item(s) (if any), so a small change in the final level(s) of any such Reference Item(s) may result in a much larger change in the Cash Amount (either positive or negative).

If the Cash Amount is converted into the Settlement Currency at the prevailing Exchange Rate, investors are exposed to fluctuations between the relevant currency exchange rates.

In the case of Instruments linked to Reference Item(s), an investment in the Instruments is not the same as an investment in any Reference Item or an investment which is directly linked to any Reference Item. In particular, unless the Instruments provide for payment amounts calculated by reference to dividends on any Reference Item(s), investors may not receive any payments in respect of dividends. Where such a dividend-related amount is payable, it may be less than the investor would receive if it held the relevant Reference Item(s). Where a participation, leverage or weighting percentage applies, the effect of a change in the value of a Reference Item may be magnified or decreased, depending on the percentage.

The Cash Amount may be subject to caps(s) or floor(s) or may be a fixed amount, and may become payable prior to the Settlement Date or Redemption Date (for reasons other than illegality or taxation).

The value and/or volatility of any Reference Item(s) may go down as well as up throughout the term of the Instruments. Furthermore, the value of any Reference Item at any specific date may not reflect its prior or future performance. There can be no assurance as to the future performance of any Reference Item. Accordingly, before investing in the Instruments, prospective investors should carefully consider whether an investment based on the performance of any Reference Item(s) is suitable for them.

The Instruments involve complex risks, which include, among other things, share price risks, credit risks, interest rate risks, commodity price risks, property price risks, exchange rate risks, inflation risks, political risks and/or risks related to funds, which may affect the value of the Instruments. Where a Reference Item is a commodity, fluctuations in the price of the commodity may affect the value of the Instruments. The value of a commodity is subject to the supply of, and/or demand for, such commodity and whether or not any alternatives to that commodity exist. Current market conditions for a commodity do not guarantee the performance, demand or supply of that commodity in the future.

Investors should be aware that by investing in Instruments, they may be investing in options. If the options expire at zero value, investors risk losing all of their investment.

Where the Instruments relate to any Reference Item(s) which involve emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein, may be greater than they would otherwise be in relation to more developed countries.

It is not possible to predict the price at which the Instruments will trade in the market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, purchase Instruments at any time at any price in the open market or by tender or private treaty. Any Instruments so purchased may be held or resold, or surrendered for cancellation. The market for the Instruments may be limited. The only way in which a holder can realise value from an Instrument prior to the Expiration Date or Redemption Date (apart from any coupon payments) is to sell it at its then market price in the market, which may be less than the amount initially invested.

Fluctuations in the value of any Reference Item(s) may affect the value and/or performance of the Instruments.

In some cases the Cash Amount may reflect a Protected Return but provide that the Protected Return will only continue to accrue for so long as the outstanding nominal amount of certain securities issued by the Issuer (excluding those held by the Issuer and/or RBS N.V.) (**Reference Instruments**) remains above a specified level. If the outstanding nominal amount of the Reference Instruments falls below the specified level then the Protected Return will cease to accrue. Investors should be aware that in the case of Instruments exhibiting these features there may be a conflict of interest between the interests of investors (who may wish the outstanding nominal amount of the Reference Instruments to remain above a specified level so that they continue to benefit from the Protected Return) on the one hand and the interests of the Issuer (who may wish the outstanding nominal amount of the Reference Instruments to fall below the specified level so that the Issuer no longer has to accrue the Protected Return) on the other. Furthermore there may be a conflict of interest between the interests of those investors who wish to sell their Reference Instruments back to the Issuer (who, because they want to dispose of their investment in the Instruments, may not be concerned if the outstanding nominal amount of the Reference Instruments falls below the specified level and therefore the Protected Return ceases to accrue) and the interests of those investors holding the Instruments (who may wish the outstanding nominal amount of the Reference Instruments to remain above the specified level). Investors are therefore exposed to the risk that at any time the Issuer or RBS N.V. may purchase a sufficient number of Reference Instruments as would cause the Protected Return to cease to accrue (although investors still maintain the right to any Protected Return already accrued). In the case of Instruments exhibiting these features the Issuer will publish the outstanding nominal amount of the Reference Instruments on a real time basis on its website (so that investors or prospective investors in the Instruments can see at any time the outstanding nominal amount of the Reference Instruments) as specified in the applicable Final Terms under "Information Source for Outstanding Purchase Amount". Investors are also informed that in calculating the price or value of the Instruments at any time the Issuer will only value the Protected Return to the extent it has actually accrued to a particular date. The Issuer will not place any value or price on the possibility that the Protected Return may continue to accrue in the future.

Accordingly, an investment in the Instruments is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The level and basis of taxation on the Instruments and any reliefs from such taxation can change at any time. The value of any tax reliefs will depend on an investor's individual circumstances. The tax and regulatory characterisation of the Instruments may change over the life of the Instruments. This could have adverse consequences for investors.

Before making any investment decision with respect to the Instruments, any prospective investors should consult their own financial, tax or other advisers as they consider necessary and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

### **Risks Relating to the Issuer**

Investors are exposed to the credit risk of the Issuer. If the Issuer fails or becomes insolvent, investors may lose some or all of their investment.

Prospective Investors should note that the Issuer is subject to certain general risk including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations and geopolitical conditions and, in addition, certain risks specific to the Issuer including, without limitation, full nationalisation and other resolution procedures under the Banking Act 2009 and risks related to the entry into the asset protection scheme, as further described in the Registration Document.

## RISK FACTORS

The following risk factors shall be read in conjunction with the risk factors set out on pages 3 to 31 of the Registration Document and pages 12 to 23 of the Programme Prospectus.

Such risk factors are factors which the Issuer believes may be material for the purposes of (i) assessing the ability of the Issuer to fulfil its obligations under the Instruments and (ii) assessing the market risks associated with the Instruments.

The Issuer believes that these risk factors represent the principal risks inherent in investing in Instruments, but the inability of the Issuer to pay principal or other amounts on or in connection with any Instruments may occur for other reasons (which the Issuer currently considers not to be material or of which it is not currently aware) and the Issuer does not represent that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Neither the Cash Amount nor any amount payable on cancellation of the Instruments is partially or wholly principal protected unless otherwise specified in the applicable Final Terms. Investors therefore risk losing their entire investment.

The terms of the Instruments may provide that the Cash Amount will be dependent upon the performance of any relevant Reference Item(s), of either itself or themselves, or relative to other Reference Item(s).

The Cash Amount may be geared to the performance of the Reference Item(s) (if any), so a small change in the final level(s) of any such Reference Item(s) may result in a much larger change in the Cash Amount (either positive or negative).

If the Cash Amount is converted into the Settlement Currency at the prevailing Exchange Rate, investors are exposed to fluctuations between the relevant currency exchange rates.

In the case of Instruments linked to Reference Item(s), an investment in the Instruments is not the same as an investment in any Reference Item or an investment which is directly linked to any Reference Item. In particular, unless the Instruments provide for payment amounts calculated by reference to dividends on any Reference Item(s), investors may not receive any payments in respect of dividends. Where such a dividend-related amount is payable, it may be less than the investor would receive if it held the relevant Reference Item(s). Where a participation, leverage or weighting percentage applies, the effect of a change in the value of a Reference Item may be magnified or decreased, depending on the percentage.

The Cash Amount may be subject to caps(s) or floor(s) or may be a fixed amount, and may become payable prior to the Settlement Date or Redemption Date (for reasons other than illegality or taxation).

The value and/or volatility of any relevant Reference Item(s) may go down as well as up throughout the term of the Instruments. Furthermore, the value of any Reference Item at any specific date may not reflect its prior or future performance. There can be no assurance as to the future performance of any Reference Item. Accordingly, before investing in the Instruments, prospective investors should carefully consider whether an investment based on the performance of any Reference Item(s) is suitable for them.

The Instruments involve complex risks, which include, among other things, share price risks, credit risks, interest rate risks, commodity price risks, property price risks, exchange rate risks, inflation risks, political risks and/or risks related to funds, which may affect the value of the Instruments. Where a Reference Item is a commodity, fluctuations in the price of the commodity may affect the value of the Instruments. The value of a commodity is subject to the supply of, and/or demand for, such commodity and whether or

not any alternatives to that commodity exist. Current market conditions for a commodity do not guarantee the performance, demand or supply of that commodity in the future.

Investors should be aware that by investing in Instruments, they may be investing in options. If the options expire at zero value, investors risk losing all of their investment.

Where the Instruments relate to any Reference Item(s) which involve emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein, may be greater than they would otherwise be in relation to more developed countries.

It is not possible to predict the price at which the Instruments will trade in the market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, purchase Instruments at any time at any price in the open market or by tender or private treaty. Any Instruments so purchased may be held or resold, or surrendered for cancellation. The market for the Instruments may be limited. The only way in which a holder can realise value from an Instrument prior to the Expiration Date or Redemption Date (apart from any coupon payments) is to sell it at its then market price in the market, which may be less than the amount initially invested.

Fluctuations in the value of any Reference item(s) may affect the value and/or performance of the Instruments.

In some cases the Cash Amount may reflect a Protected Return but provide that the Protected Return will only continue to accrue for so long as the outstanding nominal amount of certain securities issued by the Issuer (excluding those held by the Issuer and/or RBS N.V.) (**Reference Instruments**) remains above a specified level. If the outstanding nominal amount of the Reference Instruments falls below the specified level then the Protected Return will cease to accrue. Investors should be aware that in the case of Instruments exhibiting these features there may be a conflict of interest between the interests of investors (who may wish the outstanding nominal amount of the Reference Instruments to remain above a specified level so that they continue to benefit from the Protected Return) on the one hand and the interests of the Issuer (who may wish the outstanding nominal amount of the Reference Instruments to fall below the specified level so that the Issuer no longer has to accrue the Protected Return) on the other. Furthermore there may be a conflict of interest between the interests of those investors who wish to sell their Reference Instruments back to the Issuer (who, because they want to dispose of their investment in the Instruments, may not be concerned if the outstanding nominal amount of the Reference Instruments falls below the specified level and therefore the Protected Return ceases to accrue) and the interests of those investors holding the Instruments (who may wish the outstanding nominal amount of the Reference Instruments to remain above the specified level). Investors are therefore exposed to the risk that at any time the Issuer or RBS N.V. may purchase a sufficient number of Reference Instruments as would cause the Protected Return to cease to accrue (although investors still maintain the right to any Protected Return already accrued). In the case of Instruments exhibiting these features the Issuer will publish the outstanding nominal amount of the Reference Instruments on a real time basis on its website (so that investors or prospective investors in the Instruments can see at any time the outstanding nominal amount of the Reference Instruments) as specified in the applicable Final Terms under "Information Source for Outstanding Purchase Amount". Investors are also informed that in calculating the price or value of the Instruments at any time the Issuer will only value the Protected Return to the extent it has actually accrued to a particular date. The Issuer will not place any value or price on the possibility that the Protected Return may continue to accrue in the future.

Accordingly, an investment in the Instruments is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The level and basis of taxation on the Instruments and any reliefs from such taxation can change at any time. The value of any tax reliefs will depend on an investor's individual circumstances. The tax and

regulatory characterisation of the Instruments may change over the life of the Instruments. This could have adverse consequences for investors.

Before making any investment decision with respect to the Instruments, any prospective investors should consult their own financial, tax or other advisers as they consider necessary and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

## TERMS AND CONDITIONS

The Instruments will be subject to the Terms and Conditions of the Instruments in the Programme Prospectus (the **Conditions**) and also to the following provisions (the **Product Conditions**). Terms used but not defined in the Product Conditions shall have the meanings given to them in the Conditions. In the case of inconsistency between the Conditions and the Product Conditions, the Product Conditions shall prevail.

References in the Conditions to the Final Terms shall be to these Product Conditions and the Final Terms.

### 1 Cash Amount

The Cash Amount will be determined as specified in the applicable Final Terms and may be a function of the percentage change, whether positive or negative, or the absolute change (the **Return**) from (i) the initial Level (or a function of the initial Level) of a Reference Item (which may be the Level (or a function of the Level) on the Strike Date or such other date specified in the applicable Final Terms) (the **Reference Level**) to the Final Reference Price (or a function of the Level over certain dates, as may be specified in the applicable Final Terms) (the **Final Reference Basis**) or (ii) the Final Reference Basis of the Reference Item to the Reference Level of that Reference Item. A Level (or a function of the Level) may be determined by reference to a single date or as the average, highest or lowest value in respect of a number of dates. In the circumstances specified in the applicable Final Terms, the Cash Amount may be zero or determined as a function of the prevailing market price of the Reference Item.

Where the Instruments relate to more than one Reference Item, the Cash Amount will be calculated using the Weighted average of the Returns (the **Underlying Returns**) of the Reference Items or by reference to the final price of all or one or more of the Reference Items. The weightings of the Reference Items (where there is more than one) may be unequal and will be specified in the applicable Final Terms.

The Cash Amount, Return or Underlying Return may be subject to a cap and/or floor or be a fixed amount. The Cash Amount may also depend on the performance of one or more Reference Items multiplied by a participation or leverage percentage, or the performance of one or more Reference Items relative to one or more other Reference Items. The Cash Amount and the timing of the payment of the Cash Amount (which, for the avoidance of doubt, includes payment on an early redemption of the Instruments, for reasons other than illegality or taxation) may vary depending on whether the Level of one or more Reference Items is, on one or more dates at, above, below or between one or more Barrier Levels, or may depend upon redemption of the relevant Reference Item(s). The Cash Amount may be calculated as a multiple of a formula based on the number of such occurrences as specified in the applicable Final Terms.

Any Cash Amount may depend upon the prevailing Exchange Rate.

Instrumentholders may in certain circumstances be entitled to purchase a Reference Item at a discount to its prevailing market price, though the Cash Amount in respect of such Instruments may be an amount equal to the prevailing market price of that Reference Item, subject to a cap.

The Cash Amount may also reflect a protected return (the **Protected Return**) based on (i) the performance of one or more Reference Items or (ii) a fixed or other rate which accrues daily, in each case, if so specified in the applicable Final Terms. The Protected Return, or its accrual on any day, may also be subject to a cap, floor or subject to certain conditions being met (such as the aggregate outstanding nominal amount of the Instruments or other securities issued by the Issuer being above a particular level).

The Instruments may or may not be partially or wholly principal protected and any such principal protection will be specified in the applicable Final Terms.

Certain fees or Expenses of the Issuer may apply and result in a lower Cash Amount.

For the avoidance of doubt, any or all of the above may apply in respect of one or more Instruments which are linked to the performance of one or more Reference Items and elements of each of them may be combined.

## 2 Coupon

The Instruments may, if "Coupon" is specified to apply in the applicable Final Terms carry an entitlement to receive interest in respect of a specific period and calculated by reference to:

- (a) dividends or other distributions declared or paid in respect of any underlying shares (or on shares included in any underlying index less, if so specified in the applicable Final Terms, an amount determined as specified in the applicable Final Terms);
- (b) the Return of any Reference Item (or Underlying Returns, if more than one Reference Item) or the Level (or any function of the Level) of one or more Reference Items over a specified period; or
- (c) a fixed or floating interest rate, as specified in the applicable Final Terms.

Without prejudice to the generality of paragraph (b) above, interest may be calculated by reference to (i) the performance (which may be subject to a cap and/or a floor) of one or more Reference Items, by comparing an initial Level (or any function of an initial Level) of any such Reference Item(s) to the Level (or any function of the Level) of any such Reference Item(s) on such other date(s) as specified in the applicable Final Terms) multiplied by a participation or leverage percentage, or (ii) the performance (which may be subject to a cap and/or a floor) of one or more Reference Items, by comparing an initial Level (or any function of an initial Level) of any such Reference Item(s) to the Level (or any function of the Level) of any such Reference Item(s) on such other date(s) as specified in the applicable Final Terms) relative to one or more other Reference Items.

For the avoidance of doubt, any or all of the above may apply in respect of one or more Instruments which are linked to the performance of one or more Reference Items and elements of each of them may be combined.

## 3 Physical Settlement

Upon the exercise or redemption of Physical Delivery Instruments in accordance with the Conditions, the Issuer shall deliver to the relevant Instrumentholder on the Settlement Date, Redemption Date or such other date specified in the applicable Final Terms (subject to adjustment for any Settlement Disruption Event) the Share Amount, subject to payment of any Expenses.

## 4 Interpretation and Definitions

### 4.1 Interpretation

References in the Conditions to "Securities" and "Securityholders" shall be construed as references to "Instruments" and "Instrumentholders" respectively and related expressions in the Conditions shall be construed accordingly.

### 4.2 Definitions

An **Additional Market Disruption Event**, if specified in the applicable Final Terms, shall be an Additional Disruption Event for the purposes of the Programme Prospectus;

**Barrier Level** means the level(s) so specified in the applicable Final Terms;

**Cash Amount** means an amount determined in accordance with the formula specified in the applicable Final Terms and references to "Cash Settlement Amount" in the Programme Prospectus shall be construed to be references to "Cash Amount".

The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if an Exchange Rate is applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards. The Issuer may aggregate the Instruments held by an Instrumentholder for the purposes of determining the aggregate Cash Amount payable to such Instrumentholder;

**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 Instrumentholders in accordance with Condition 12 (each a "**Clearing Agent**" and together the "**Clearing Agents**") and all related references in the Programme Prospectus shall be construed accordingly;

**Entitlement** means, in respect of a Share Instrument, the number specified as such in the applicable Final Terms (representing the number of Shares corresponding to such Instrument) which an Instrumentholder is entitled to receive on the Settlement Date or Redemption Date, and references to such term in the Programme Prospectus shall be construed accordingly;

**Exchange Rate** means, where the Strike Currency or currency of the Reference Item is different to the Settlement Currency, either (i) the rate of exchange between the Strike Currency or currency of the Reference Item 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 and references in the Programme Prospectus to such term shall be construed accordingly or (ii) if a Fixed Exchange Rate is specified in the applicable Final Terms, the relevant Fixed Exchange Rate;

**Exercise Date** means the Expiration Date;

**Exercise Time** means the time (if any) specified as such in the applicable Final Terms;

**Expiration Date** means the date (if any) specified as such in the applicable Final Terms;

**Final Reference Price** means, subject to adjustment in accordance with Conditions 16 and 17 and Product Condition 5:

- (a) in respect of Commodity Instruments, unless otherwise specified in the applicable Final Terms, (i) in respect of a Commodity, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Commodity on the Valuation Date(s) as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (ii) in respect of a Contract relating to a Commodity, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), adjusted for any reasonable market making spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (b) in respect of Currency Instruments and an Underlying FX Rate, the amount specified as such in the applicable Final Terms or if Final Reference Price is not so specified, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Underlying FX Rate on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

- (c) in respect of Fund Instruments and a Reference Asset, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (d) in respect of Government Bond Instruments and a Reference Asset, the amount specified as such in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), adjusted for any reasonable market-making spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (e) in respect of Index Instruments and in respect of any Index, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of such Index on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (f) in respect of Share Instruments and in respect of any Share, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of such Share on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (g) in respect of Inflation Index Instruments and an Inflation Index, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of the relevant Inflation Index for the relevant Valuation Month(s), published by the Index Sponsor, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (h) in respect of Property Index Instruments and a Property Index, unless otherwise specified in the applicable Final Terms, the Property Index Price on the Publication Date in respect of the Final Measurement Period (as each such term is defined in Product Condition 13);
- (i) in respect of Certificate Instruments and an Underlying, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of the Underlying on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (j) in respect of Multi Asset Basket Instruments and any Component:
  - (i) where the relevant Component is a Commodity, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Commodity on the Valuation Date(s) as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
  - (ii) where the relevant Component is a Contract relating to a Commodity (a **Commodity Contract**), an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), adjusted for any reasonable market making spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

- (iii) where the relevant Component is an Underlying FX Rate, the amount specified as such in the applicable Final Terms or if Final Reference Price is not so specified, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Underlying FX Rate on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (iv) where the relevant Component is a Fund, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (v) where the relevant Component is a Government Bond or a related Contract (a **Government Bond Contract**), the amount specified as such in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of the Reference Asset on the Valuation Date(s), adjusted for any reasonable market-making spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (vi) where the relevant Component is an Index, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level (or a function of the Level) of such Index on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (vii) where the relevant Component is a Share, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of such Share on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (viii) where the relevant Component is an Inflation Index, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of the relevant Inflation Index for the relevant Valuation Month(s), published by the Index Sponsor, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (ix) where the relevant Component is a Property Index, unless otherwise specified in the applicable Final Terms, the Property Index Price on the Publication Date in respect of the final Measurement Period; and
- (x) where the relevant Component is an Underlying, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (or a function of the Level) (which shall be deemed to be a monetary value in the Strike Currency) of the Underlying on the Valuation Date(s), as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction,

and references in the Programme Prospectus to "Settlement Price" shall be construed to be references to "Final Reference Price";

**Fixed Exchange Rate** means the rate (if any) specified in the applicable Final Terms.

**Governmental Authority** means 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 or the Underlying FX Rate (in the case of Currency Instruments (or a Component of Multi Asset Basket Instruments that is an Underlying FX Rate) only), or the country to which the Reference Asset (in the case of Government Bond Instruments (or a Component of Multi Asset Basket Instruments that is a Government Bond or Government Bond Contract) only) is in fact referenced;

**Index Sponsor** has the meaning given in the Programme Prospectus;

**Integral Multiple** means the number specified as such in the applicable Final Terms and references in the Programme Prospectus to "Unit" shall be construed as references to "Integral Multiple";

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

**Issuer Call** means, if specified to apply in the applicable Final Terms, termination of the Instruments by the Issuer in accordance with Product Condition 13;

**Issuer Call Cash Amount** means, if Issuer Call is specified to apply in the applicable Final Terms, the amount specified as such in, or the amount determined by the Calculation Agent in accordance with the formula specified as such in, the applicable Final Terms, less Expenses. The Issuer Call Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if an Exchange Rate is applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

**Issuer Call Commencement Date** means, if Issuer Call is specified to apply in the applicable Final Terms, the date specified as such in the applicable Final Terms;

**Issuer Call Date** means, if Issuer Call is specified to apply in the applicable Final Terms, the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 13, subject to the provisions relating to non-business days, disrupted days, market disruption events and other adjustments set out in Conditions 16 and 17 and Product Condition 5;

**Issuer Call Notice Period** means, if Issuer Call is specified to apply in the applicable Final Terms, the period specified as such in the applicable Final Terms;

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

**Level** means, subject to adjustment in accordance with Conditions 16 and 17 and Product Condition 5:

- (a) in relation to Index Instruments and in respect of an Index, on any day, the level of the relevant Index published by the relevant Index Sponsor as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
- (b) in relation to Inflation Index Instruments and in respect of an Inflation Index, the level of the relevant Inflation Index as published by the relevant Index Sponsor in respect of the relevant Valuation Month, as determined by or on behalf of the Calculation Agent;
- (c) in relation to Share Instruments and in respect of a Share, on any day, the price of the relevant Share quoted on the relevant Exchange as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
- (d) in relation to Commodity Instruments and (i) in respect of a Commodity, on any day, the Commodity Reference Price for such Commodity quoted on the Reuters Page or Bloomberg Page specified in the applicable Final Terms at the Valuation Time on such day or (ii) in respect of a Reference Asset Contract, the price of the Reference Asset quoted on the Exchange at the

Valuation Time on such day, as determined by or on behalf of the Calculation Agent (for the avoidance of any doubt, this shall not be the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future's point) specified on the Reuters Page or Bloomberg Page specified in the applicable Final Terms and if no such page reference exists, such other page reference as the Calculation Agent determines);

- (e) in relation to Currency Instruments and in respect of an Underlying FX Rate, on any day, the rate displayed on the Relevant Screen Page as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
- (f) in relation to Fund Instruments and in respect of a Reference Asset, the net asset value of the Reference Asset as quoted by the relevant fund manager in respect of the relevant month, as determined by or on behalf of the Calculation Agent;
- (g) in relation to Government Bond Instruments and in respect of a Reference Asset, on any day, the price for such Reference Asset quoted on the relevant Exchange as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent (for the avoidance of any doubt, this shall not be the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future's point) specified on the Reuters Page or Bloomberg Page specified in the applicable Final Terms and if no such page reference exists, such other page reference as the Calculation Agent determines);
- (h) in relation to Property Index Instruments and in respect of a Property Index, the Property Index Price, as determined by or on behalf of the Calculation Agent;
- (i) in respect of Certificate Instruments and in respect of an Underlying, on any day, the price or value of the relevant Underlying as quoted by the manager or issuer of the Underlying as at the Valuation Date, as determined by or on behalf of the Calculation Agent; and
- (j) in relation to Multi Asset Basket Instruments and any Component:
  - (i) where the relevant Component is an Index, on any day, the level of the relevant Index published by the relevant Index Sponsor as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
  - (ii) where the relevant Component is an Inflation Index, the level of the relevant Inflation Index as published by the relevant Index Sponsor in respect of the relevant Valuation Month, as determined by or on behalf of the Calculation Agent;
  - (iii) where the relevant Component is a Share, on any day, the price of the relevant Share quoted on the relevant Exchange as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
  - (iv) where the relevant Component is a Commodity, on any day, the Commodity Reference Price for such Commodity quoted on the Reuters Page or Bloomberg Page specified in the applicable Final Terms at the Valuation Time on such day;
  - (v) where the relevant Component is a Commodity Contract, the price of the Reference Asset quoted on the Exchange at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent (for the avoidance of any doubt, this shall not be the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future's point) specified on the Reuters Page or Bloomberg Page specified in the applicable Final Terms and if no such page reference exists, such other page reference as the Calculation Agent determines);

- (vi) where the relevant Component is an Underlying FX Rate, on any day, the rate displayed on the Relevant Screen Page as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
- (vii) where the relevant Component is a Fund the net asset value of the Reference Asset as quoted by the relevant fund manager in respect of the relevant month, as determined by or on behalf of the Calculation Agent;
- (viii) where the relevant Component is a Government Bond (or Government Bond Contract), on any day, the price for the Reference Asset quoted on the relevant Exchange as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent (for the avoidance of any doubt, this shall not be, in respect of a Government Bond Contract, the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future's point) specified on the Reuters Page or Bloomberg Page specified in the applicable Final Terms and if no such page reference exists, such other page reference as the Calculation Agent determines);
- (ix) where the relevant Component is a Property Index, the Property Index Price, as determined by or on behalf of the Calculation Agent; and
- (x) where the relevant Component is an Underlying, on any day, the price or value of the relevant Underlying as quoted by the manager or issuer of the Underlying as at the Valuation Date, as determined by or on behalf of the Calculation Agent;

**Market Disruption Event** means any event specified as such in Condition 16 and Product Condition 5 and references to such term in the Programme Prospectus shall be construed accordingly;

**Maximum Exercise Number** means the number specified as such in the applicable Final Terms;

**Minimum Exercise Number** means the number specified as such in the applicable Final Terms;

**Pricing Date** means, in respect of Inflation Index Instruments (or a Component of Multi Asset Basket Instruments that is an Inflation Index), the date or dates specified as such in the applicable Final Terms, subject to adjustment by the Calculation Agent in adverse market conditions if, in the opinion of the Calculation Agent, circumstances so required;

**Redemption Date** means the date (if any) specified as such in the applicable Final Terms.

**Reference Items** means each reference item (if any) specified in the applicable Final Terms which may be a commodity or related forward or futures contract, a currency exchange rate, a fund, a forward or futures contract relating to one or more government bonds, an index, an inflation index, a property index, a share or a certificate.

**Relevant Currency** means, unless otherwise specified in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Instrument 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 an Instrument is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an American Depository Receipt (**ADR**) or Global Depository Receipt (**GDR**), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

**Relevant Currency Exchange Rate** means each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by

reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

**Settlement Date** means the date (if any) specified as such in the applicable Final Terms.

**Settlement Disruption Event** means, in respect of Physical Delivery Instruments, an event which, in the determination of the Issuer, is beyond the control of the Issuer and as a result of which the Issuer cannot make delivery of the Share Amount in accordance with such market method as it decides at the relevant time for delivery of the relevant Share Amount and references to such term in the Programme Prospectus shall be construed accordingly;

**Share Amount** means, in respect of Share Instruments (or a Component of Multi Asset Basket Instruments that is a Share), if the Instruments are specified as Physical Delivery Instruments in the applicable Final Terms, in relation to each Share Company or Basket Company, as the case may be, the number of Shares specified as such in the applicable Final Terms, multiplied by the Entitlement. If the Share Amount is an amount comprising a fraction of any Share, the Instrumentholder will receive a Share Amount comprising the nearest whole number (rounded down) of Shares (taking into account that an Instrumentholder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the relevant Share Amounts), and an amount in the Settlement Currency (determined using the Exchange Rate if an Exchange Rate is applicable) equal to the value of the outstanding undelivered fraction of such Share, as calculated by the Calculation Agent on the basis of the Final Reference Price;

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

**Strike Currency** means the currency specified as such in the applicable Final Terms;

**Strike Price** means the price specified as such in the applicable Final Terms and references in the Programme Prospectus to "Exercise Price" shall be construed as references to "Strike Price";

**Trading Day** means, for the purposes of Product Condition 5, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange or Related Exchange other than a day on which trading on the Exchange or Related Exchange is scheduled to close prior to its regular weekday closing time;

**Underlying FX Rate** means, in respect of Currency Instruments (or a Component of Multi Asset Basket Instruments that is an Underlying FX Rate), the rate specified as such in the applicable Final Terms and references in the Programme Prospectus to "FX Rate" shall be construed as references to "Underlying FX Rate";

**Valuation Date** means, in respect of Instruments other than (i) Inflation Index Instruments (or a Component of Multi Asset Basket Instruments that is an Inflation Index), (ii) Property Index Instruments (or a Component of Multi Asset Basket Instruments that is a Property Index) and (iii) General Instruments, (X) where such Instruments are Warrants, the Exercise Date, or (Y) where such Instruments are Redeemable Certificates, such other date(s) specified in the applicable Final Terms, subject to adjustment in accordance with Conditions 16 and 17 and Product Condition 5, and references to such term in the Programme Prospectus shall be construed accordingly;

**Valuation Month** means, in respect of Inflation Index Instruments (or a Component of Multi Asset Basket Instruments that is an Inflation Index), each month specified as such in the applicable Final Terms and references in the Programme Prospectus to "Inflation Fixing Month" shall be construed to be references to "Valuation Month";

**Valuation Time** means (i) in respect of Index Instruments (or a Component of Multi Asset Basket Instruments that is an Index), the time with reference to which the Index Sponsor calculates the closing level of the relevant Index or such other time as the Issuer may select in its absolute discretion and notify to Instrumentholders in accordance with Condition 12; (ii) in respect of Government Bond Instruments (or a Component of Multi Asset Basket Instruments that is a Government Bond Contract), the close of trading on the Exchange or such other time as the Issuer may select in its absolute discretion and notify to Instrumentholders in accordance with Condition 12; (iii) in respect of Share Instruments (or a Component of Multi Asset Basket Instruments that is a Share), the close of trading of the relevant Share on the Exchange; (iv) in respect of Certificate Instruments (or a Component of Multi Asset Basket Instruments that is an Underlying), the official close of trading on the Exchange, unless otherwise specified in the applicable Final Terms; or (v) in respect of Commodity Instruments (or a Component of Multi Asset Basket Instruments that is a Commodity or Commodity Contract) and Currency Instruments (or a Component of Multi Asset Basket Instruments that is an Underlying FX Rate), the Valuation Time as specified in the applicable Final Terms;

**Weight** means, in relation to Instruments related to a basket of Reference Items and in respect of each Reference Item, as applicable, the percentage or number specified as such in the definition of "Basket" or otherwise, the number specified as "W" in the definition of "Cash Amount" in the applicable Final Terms (and references to "Weighted" shall be construed accordingly).

## 5 Market Disruption Events and Adjustments

Save as provided in Product Condition 5.10, the following provisions shall constitute (i) in the case of Instruments other than Fund Instruments and Property Index Instruments, Market Disruption Events, (ii) in the case of Fund Instruments, Trigger Events or (iii) in the case of Property Index Instruments, Property Index Disruption Events, and shall apply in addition to the relevant provisions set out in Condition 16 (as qualified below) and Product Condition 8, and the Calculation Agent may make any adjustment to the Conditions or the Product Conditions or take any other action it considers to be necessary or desirable, acting in a commercially reasonable manner, to account for any such event:

### 5.1 In relation to Commodity Instruments:

- (a) 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;
- (b) Price Source Disruption. (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) the failure by the Exchange to announce or publish the price of the Commodity or Reference Asset (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange;
- (c) 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, (i) 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 or indebtedness for money borrowed or guaranteed, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guaranteed or (iii) 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 or indebtedness for money borrowed or guaranteed 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 or indebtedness for money borrowed or guarantee;

- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;
- (j) De Minimis Trading. The number of Contracts traded on the Exchange with respect to the Commodity or Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity or Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Commodity or Reference Asset on the Exchange;
- (k) "Limit-up" or "Limit-down": If "Limit-up" or "Limit-down" is specified as applicable in the Final Terms, there is a suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, by reason of movements in price of one or more Contracts exceeding limits (up in the case of Limit-up or down in the case of Limit-down) permitted by the relevant Exchange or Related Exchange and such suspension or limitation is continuing at the Valuation Time; and
- (l) Other Events. 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 Instruments.

## 5.2 In relation to Currency Instruments:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the principal financial centre of the Relevant Currency;

- (b) Price Source Disruption. (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) it becomes impossible to obtain the Underlying FX Rate on the Valuation Date in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;
- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate or the Underlying FX Rate, as the case may be, through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or the Strike Currency, as the case may be, or (ii) generally makes it impossible to deliver the Relevant Currency or the Strike Currency, as the case may be, from accounts in the country of the principal financial centre of the Relevant Currency or the Strike Currency, as the case may be, to accounts outside such jurisdiction or, the Relevant Currency or the Strike Currency, as the case may be, between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate or the Underlying FX Rate, as the case may be, or the Strike Currency for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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; and
- (j) Other Events. 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 Instruments.

**5.3 In relation to Fund Instruments:**

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;
- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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; and
- (j) Other Events. 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 Instruments.

**5.4 In relation to Government Bond Instruments:**

- (a) 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;
- (b) Price Source Disruption. (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) the failure by the Exchange to announce or publish the price of the Reference Asset (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;
- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;

- (j) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange;
- (k) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Reference Asset, on the Exchange;
- (l) Material Change in nature of or pricing method. The occurrence, since the Launch Date, of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the price of the Reference Asset;
- (m) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content or composition of the Reference Asset;
- (n) De Minimis Trading. The number of Contracts traded on the Exchange with respect to the Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Reference Asset on the Exchange;
- (o) Tax Disruption. The imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Reference Asset (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Launch Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Reference Asset on the Valuation Date and/or on each of the three Trading Days following the Valuation Date from what it would have been without that imposition, change or removal;
- (p) Trading Limitation. The material limitation imposed on trading in the Reference Asset with respect to it or any contract with respect to it on any exchange or principal trading market; and
- (q) Other Events. 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 Instruments.

**5.5 In relation to Index Instruments:**

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guaranteed, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guaranteed or (iii) 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 or indebtedness for money borrowed or guaranteed 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 or indebtedness for money borrowed or guarantee;

- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;
- (j) “Limit-up” or “Limit-down”: If “Limit-up” or “Limit-down” is specified as applicable in the Final Terms, there is a suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, by reason of movements in price of one or more component securities of the relevant Index exceeding limits (up in the case of Limit-up or down in the case of Limit-down) permitted by the relevant Exchange or Related Exchange and such suspension or limitation is continuing at the Valuation Time; and
- (k) Other Events. 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 Instruments.

#### **5.6 In relation to Share Instruments:**

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;

- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;
- (j) Other Events. 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 Instruments.

**5.7 In relation to Inflation Index Instruments:**

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money

borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;

- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;
- (j) "Limit-up" or "Limit-down": If "Limit-up" or "Limit-down" is specified as applicable in the Final Terms, there is a suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, by reason of movements in price of one or more component securities of the relevant Index exceeding limits (up in the case of Limit-up or down in the case of Limit-down) permitted by the relevant Exchange or Related Exchange and such suspension or limitation is continuing at the Valuation Time;
- (k) The Index Sponsor fails to calculate and announce the level of the relevant Inflation Index; and
- (l) Other Events. 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 Instruments.

**5.8 In relation to Certificate Instruments:**

- (a) 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;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives this 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;
- (f) 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 Instruments;
- (g) 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;
- (h) Imposition of Tax/Levy. The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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;

- (j) The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on the 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):
  - (i) in the Underlying on the Exchange or any other exchange on which the Underlyings are traded; or
  - (ii) in any Contracts or other derivatives contracts relating to the Underlyings on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; and
- (k) 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 Instruments.

For the purposes of this Product Condition 5.8, 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 Exchange or any Related 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 Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

**5.9 In relation to Property Index Instruments:**

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) 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, (i) 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 or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) 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 or 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 or indebtedness for money borrowed or guarantee;
- (d) Inconvertability/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;

- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization 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 Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Instruments;
- (g) Changes 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;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) 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; and
- (j) Other Events. 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 Instruments.

**5.10 In relation to Multi Asset Basket Instruments:**

- (a) where the Multi Asset Basket Instruments include a Commodity (or Commodity Contract) as a Component, any of the events specified in Condition 16(E) and Product Condition 5.1 (a) to (l) inclusive;
- (b) where the Multi Asset Basket Instruments include an Underlying FX Rate as a Component, any of the events specified in Condition 16(F) and Product Condition 5.2 (a) to (j) inclusive;
- (c) where the Multi Asset Basket Instruments include a Fund as a Component, any of the events specified in Condition 16(G) and Product Condition 5.3 (a) to (j) inclusive;
- (d) where the Multi Asset Basket Instruments include a Government Bond (or Government Bond Contract) as a Component, any of the events specified in Condition 16(D) and Product Condition 5.4 (a) to (q) inclusive;
- (e) where the Multi Asset Basket Instruments include an Index as a Component, any of the events specified in Condition 16(A) and Product Condition 5.5 (a) to (k) inclusive;
- (f) where the Multi Asset Basket Instruments include a Share as a Component, any of the events specified in Condition 16(B) and Product Condition 5.6 (a) to (j) inclusive and, if applicable, Product Condition 9.2;
- (g) where the Multi Asset Basket Instruments include an Inflation Index as a Component, any of the events specified in Condition 16(H) and Product Condition 5.7 (a) to (l) inclusive;
- (h) where the Multi Asset Basket Instruments include an Underlying as a Component, any of the events specified in Condition 16(J) and Product Condition 5.8 (a) to (k) inclusive;
- (i) where the Multi Asset Basket Instruments include a Property Index as a Component, any of the events specified in Product Condition 5.9 (a) to (j) inclusive and Product Condition 8; and

- (j) any Additional Disruption Event referred to in Condition 17 that is specified to apply in the applicable Final Terms.

## 6 Indices of futures contracts

Where an Index comprises futures contracts, reference in the Conditions to the component securities of an Index shall be construed as references to the component futures contracts.

## 7 Index Instruments linked to the performance of RBS proprietary indices

Index Instruments may, if so specified in the applicable Final Terms, relate to one or more proprietary indices of The Royal Bank of Scotland plc (each a **Proprietary Index**). Where the applicable Final Terms specify one or more Proprietary Indices, the corresponding index description(s) set out below shall apply:

### 7.1 RBS UK Navigator Index (GBP) (the **Index**)

The Index is calculated by The Royal Bank of Scotland N.V., acting through its London Branch, or its successor (the **Index Calculation Agent**) based on a methodology developed by The Royal Bank of Scotland plc (the **Index Sponsor**).

The Index objective is to track a risk-stabilised, dynamic long-short algorithm which is linked to the Excess Return UK 100 Strategy (the **ER Asset**). The most current version of the ER Asset rules is available from the Index Sponsor upon request.

The dynamic long-short algorithm means an algorithm that can have either a notionally long or short position in the ER Asset at a particular point in time, but not both simultaneously. If the algorithm has a long position, the level of the Index will increase if the ER Asset rises in value and decrease if the ER Asset falls in value. If the algorithm has a short position, the level of the Index will increase if the ER Asset falls and decrease if the ER Asset rises.

On each monthly trend observation date, the algorithm compares the level of the ER Asset at the valuation time (**ER Closing Price**) to its monthly average price over the preceding 12 months (**Moving Average Twelve**) to determine market trend, and the Moving Average Twelve to the monthly average price over the preceding 3 months (**Moving Average Three**) to determine the strength of the market trend.

If the ER Closing Price on such trend observation date is greater than, or equal to, the Moving Average Twelve, then the market trend is deemed to be positive and the Index shall have a positive economic exposure to the ER Asset for the subsequent month. If the ER Closing Price on a trend observation date is lower than the Moving Average Twelve, then the market trend is deemed to be negative and the Index shall have a negative economic exposure to the ER Asset for the subsequent month.

If the market trend is positive and the Moving Average Three is greater than, or equal to, the Moving Average Twelve, then the long-exposure of the Index to the ER Asset will be 125%. In all other cases (i.e., the Moving Average Three is less than the Moving Average Twelve), the long-exposure will be 75%. If the market trend is negative and the Moving Average Three is less than the Moving Average Twelve, then the short-exposure of the Index to the ER Asset will be 125%. In all other cases (i.e., the Moving Average Three is more than the Moving Average Twelve), the short-exposure will be 75%.

The Index invests in the algorithm using a dynamic participation that is adjusted on a daily basis in order to stabilise the volatility of the Index. The dynamic participation will vary between 0% and 100% and shall be dependent on the realised volatility of the ER Asset. If the level of the realised volatility increases above a certain level, the dynamic participation in the ER Asset will be

decreased and if the realised volatility decreases below a certain level, the dynamic participation in the ER Asset will be increased. As such, the Index aims to realise a target volatility of less than 12% annualised. Information about the past and the future performance of the Index and its volatility can be obtained on Bloomberg page RBSDTUG1 Index.

A copy of the Index rules relating to the Index will be available for review from the Launch Date (if any) or Issue Date to the Settlement Date or Redemption Date at (i) the registered office of the Issuer at 36 St Andrew Square, Edinburgh EH2 2YB, Scotland and (ii) the office of any Distributor(s). Investors should note that this description is subject to the detailed provisions of the Index rules. Full information on the composition and calculation of the Index is only available on the basis of the provisions set out in the Index rules. Investors should carefully read the Index rules before making any investment decisions in relation to the Instruments and, in particular, should read and understand the disclaimers and risk factors set out therein. In order to obtain the Index rules, an investor may need to give certain non-disclosure representations to the Index Sponsor.

Investors should note that the Index rules are subject to change from time to time. In certain circumstances, the Index Sponsor can change the method of calculating the Index, or may discontinue or suspend calculation or dissemination of the Index, which could affect the return or principal amount paid on the Instruments.

Index Sponsor: The Royal Bank of Scotland plc

Disclaimer:

Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein. The Index Sponsor is under no obligation to advise any person of any error in the Index.

The Index Sponsor makes no express or implied representations or warranties concerning (i) the accuracy or completeness of this summary, (ii) whether or not the Index may achieve any particular level or meet or correlate with any particular objective or (iii) the fitness for any purpose of the Index or this summary.

The Index Sponsor accepts no legal liability to any person in connection with (i) this summary and (ii) its publication and dissemination of the Index.

Nothing in this description will:

- (i) exclude or restrict any obligation the Index Sponsor may have to any recipient of this summary, nor any liability the Index Sponsor may incur to any such recipient, under the Financial Services and Markets Act 2000, or the regulatory regime thereunder; or
- (ii) exclude or restrict, to an extent prohibited by law, any duty or liability the Index Sponsor may have to any recipient of this description.

The Royal Bank of Scotland plc owns intellectual property rights in the Index. Any use of any such intellectual property rights must be with the consent of The Royal Bank of Scotland plc.

## 7.2 RBS UK Autopilot Index (GBP) (the **Index**)

The Index is calculated by The Royal Bank of Scotland N.V., acting through its London Branch, or its successor (the **Index Calculation Agent**) based on a methodology developed by The Royal Bank of Scotland plc (the **Index Sponsor**).

The Index aims to track the return of a notional strategy that allocates between the following four constituents which may be comprised of one or more underlyings:

- (a) An equally-weighted basket of the FTSE 100 Index, S&P 500 Index, Nikkei 225 Stock Average and the DJ EUROSTOXX 50 (Price) Index (**Constituent 1**);
- (b) iShares MSCI Emerging Market Index Fund (**Constituent 2**);
- (c) DJ AIG Commodity Excess Return Index (**Constituent 3**);
- (d) FTSE EPRA/NAREIT Europe Index (**Constituent 4**);

and the UK Retail Prices Index which is entitled "All Items NSA Inflation Index" (the **Inflation Index** or **Constituent 5** and Constituents 1, 2, 3, 4 and 5 shall be collectively referred to as the **Constituents**).

On or around the first calendar day of each month (**Rebalancing Date**) the Index Calculation Agent will rebalance the weight allocated to a Constituent and such weight will be effective following the Rebalancing Date. The weight to be allocated to each Constituent will be determined with reference to the value of each Constituent 1, 2, 3 and 4 taken on the first calculation date immediately preceding each Rebalancing Date (**Determination Date**).

On each Determination Date, the value of Constituents 1, 2, 3 and 4 will each be compared to its respective monthly average value over the preceding 12 months (**Moving Average**). If the relevant value of Constituent 1, 2, 3 and 4 is greater than its respective Moving Average, the Index Calculation Agent will allocate a weight of 25% of the notional value of the Index to such Constituent from the day immediately following the Rebalance Date up to and including the immediately following Rebalancing Date. Otherwise, the Index Calculation Agent shall allocate a weight of 25% of the notional value of the Index to the Inflation Index. Hence, each of Constituent 1, 2, 3 and 4 can have a weight of either 0% or 25% and Constituent 5 can have a weight of either 0%, 25%, 50%, 75% or 100%. In total, the weights shall sum to 100%.

In any monthly performance period which will commence on the day immediately following a Rebalancing Date and end on the following Rebalancing Date (**Monthly Performance Period**), the monthly return of each Constituent shall be determined by the Index Calculation Agent from the start of the Monthly Performance Period until the end of the Monthly Performance Period. With respect to Constituents 1, 2, 3 and 4 the monthly return will be capped at 7.00% and with respect to the Inflation Index, the monthly return shall be fixed at one-twelfth of the annual return of Inflation Index. Information about the past and the future performance of the Index and its volatility can be obtained on Bloomberg page RBSDAPG1 Index.

A copy of the Index rules relating to the Index will be available for review from the Launch Date (if any) or Issue Date to the Settlement Date or Redemption Date at (i) the registered office of any Issuer at 36 St Andrew Square, Edinburgh EH2 2YB, Scotland and (ii) the office of the Distributor(s). Investors should note that this description is subject to the detailed provisions of the Index rules. Full information on the composition and calculation of the Index is only available on the basis of the provisions set out in the Index rules. Investors should read carefully the Index rules before making any investment decisions in relation to the Instruments and, in particular, should read and understand the disclaimers and risk factors set out therein. In order to obtain the Index rules, an investor may need to give certain non-disclosure representations to the Index Sponsor.

Investors should note that the Index rules are subject to change from time to time. In certain circumstances, the Index Sponsor can change the method of calculating the Index, or may

discontinue or suspend calculation or dissemination of the Index, which could affect the return or principal amount paid on the Instruments.

Index Sponsor: The Royal Bank of Scotland plc

Disclaimer:

Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein. The Index Sponsor is under no obligation to advise any person of any error in the Index.

The Index Sponsor makes no express or implied representations or warranties concerning (i) the accuracy or completeness of this summary, (ii) whether or not the Index may achieve any particular level or meet or correlate with any particular objective or (iii) the fitness for any purpose of the Index or this description.

The Index Sponsor accepts no legal liability to any person in connection with (i) this summary and (ii) its publication and dissemination of the Index.

Nothing in this description will:

- (i) exclude or restrict any obligation the Index Sponsor may have to any recipient of this summary, nor any liability the Index Sponsor may incur to any such recipient, under the Financial Services and Markets Act 2000, or the regulatory regime thereunder; or
- (ii) exclude or restrict, to an extent prohibited by law, any duty or liability the Index Sponsor may have to any recipient of this description.

The Royal Bank of Scotland plc owns intellectual property rights in the Index. Any use of any such intellectual property rights must be with the consent of The Royal Bank of Scotland plc.

## 8 Property Index Instruments

Instruments may be linked to one or more Property Indices, such Instruments (**Property Index Instruments**). Condition 16(A) (*Index Securities*) and Condition 16(I) (*Index Securities relating to a Contract*) shall not apply in respect of Property Index Instruments. Instead, the provisions of this Product Condition 8 shall apply.

### 8.1 Definitions

**Computational Methodology** means the formula or methodology used by the Property Index Sponsor to calculate the Property Index.

**Cure Period** means the period beginning on the Publication Cut-off Date and ending on the 60th calendar day following the relevant scheduled Settlement Date or Redemption Date, as the case may be.

**Data Pool** means the pool of properties underlying the Property Index.

**Delayed Publication Disruption Event** means an event so specified in Product Condition 8.2(D)(c).

**Measurement Period** means the period so specified in the applicable Final Terms.

**Methodology Adjustment** means a change, as published or announced by the Property Index Sponsor, becomes effective with respect to the Computational Methodology or the Data Pool, including, without limitation, the type, maximum or minimum valuation or geographical distribution

of such properties; provided that a change in the individual properties or in the number of individual properties included in the Data Pool will not be a Methodology Adjustment.

**Methodology Event** has the meaning specified in Product Condition 8.2(C).

**Property Index** means (i) each index based on property prices so specified in the relevant Final Terms or (ii) any Substitute Property Index, and **Property Indices** means each such Property Index applicable to the relevant Property Index Instruments.

**Property Index Discontinuance** means the Property Index Sponsor discontinues the calculation and publication of the Property Index.

**Property Index Disruption Event** means any of the following events: (a) a Delayed Publication Disruption Event, (b) a Property Index Discontinuance and/or (c) a Methodology Event.

**Property Index Price** means, with respect to a Measurement Period, the final level of the Property Index for such Measurement Period as published by the Property Index Sponsor (or otherwise determined in accordance with the Conditions and these Product Conditions).

**Property Index Sponsor** means the entity that publishes the level of the relevant Property Index, as set out in the applicable Final Terms.

**Provisional Property Index Price** means a provisional (and not definitive) Property Index Price, howsoever defined by the Property Index Sponsor.

**Publication Cut-off Date** means the date so specified in the applicable Final Terms or, if no such date is specified, the date that is two Business Days prior to the Settlement Date or Redemption Date, as the case may be.

**Publication Date** means each date on which the relevant Property Index Price for the relevant Measurement Period is published by the Property Index Sponsor.

**Rebasing** means the revaluation of the Property Index by the Property Index Sponsor by the application of a new Reference Price, without amendment to the formula for, or the method of calculating, the Property Index, and **Rebased** will be construed accordingly.

**Reference Price** means the historic value of the Data Pool used by the Property Index Sponsor as the benchmark for the Property Index.

**Scheduled Publication Date** means the date on which the Property Index Price in respect of the relevant Measurement Period is scheduled to be published.

**Substitute Property Index** means an index designated as a Substitute Property Index under Product Condition 8.2(C) or 8.2(E).

## **8.2 Adjustments and Disruptions**

### **(A) Rebasing**

If the Calculation Agent determines that a Property Index has been Rebased (the Property Index as so Rebased, the **Rebased Property Index**):

- (a) the Calculation Agent shall as soon as reasonably practicable notify the Issuer of such occurrence;
- (b) the Rebased Property Index will be used for purposes of determining the level of the Property Index from the date of such Rebasing, provided, however, that the Calculation Agent shall make such adjustments in its sole and absolute discretion to the Strike Price or

Property Index Prices so that use of the Rebased Property Index reflects what would have been the performance of the Property Index had the Rebasing not occurred; and

- (c) any such Rebasing shall not affect any prior payments made in respect of the Instruments.

**(B) *Error in Publication***

An **Error in Publication** will occur if the Property Index Sponsor announces that an error has occurred with respect to the Property Index Price as published on any Publication Date, the Property Index Price for such Publication Date is corrected to remedy such error and the correction is published by the Property Index Sponsor at any time prior to the Publication Cut-off Date.

Following an Error in Publication, the Calculation Agent will re-calculate the Reference Level and/or the Final Reference Basis, as the case may be, and the Cash Amount on the basis of such corrected Property Index Price.

**(C) *Methodology Adjustment and Methodology Event***

If a Methodology Adjustment occurs, but the Property Index Sponsor continues to publish an index price based on the original Computational Methodology and Data Pool, such Property Index shall constitute a **Substitute Property Index** and shall apply to the Instruments in lieu of the original Property Index, notwithstanding the occurrence of the Methodology Adjustment. If the Property Index Sponsor does not publish such an index price following a Methodology Adjustment, then (whether or not an index price based on the original Property Index is published), a **Methodology Event** will occur. Such a Methodology Event will be subject to Product Condition 8.2(E).

**(D) *Delay in Publication***

**(a) *Cure for Delay***

If the Property Index Sponsor has not published the Property Index Price (or, if averaging applies, one or more of the Property Index Prices required to calculate the relevant value in respect of the Property Index) (each such unpublished Property Index Price for the relevant Property Index being the **Missing Property Index Price(s)i**) on or prior to the Publication Cut-off Date, then the Cash Amount will not be payable on the scheduled Settlement Date or Redemption Date, as the case may be, and the following will apply:

- (A) if the Property Index Sponsor publishes the Missing Property Index Price(s)i within the Cure Period, then the Settlement Date or Redemption Date, as the case may be, will be deferred until the second Business Day following the date of publication of such Missing Property Index Price(s)i and the relevant Final Reference Price shall be calculated by reference to such Missing Property Index Price(s)i; and
- (B) if (A) above does not apply but the Property Index Sponsor publishes a Provisional Property Index Price in respect of each such Missing Property Index Price(s)i during the Cure Period, then the Settlement Date or Redemption Date, as the case may be, will be deferred until the second Business Day following the end of the Cure Period, the Provisional Property Index Price will be deemed to be the Property Index Price in respect of each such Missing Property Index Price(s)i and the relevant Cash Amount will be calculated by reference to such Provisional Property Index Price.
- (C) Where (i) averaging applies, (ii) neither (A) nor (B) above apply and (iii) one or more Property Index Prices or Provisional Property Index Prices required to calculate the Final Reference Price for a particular Property Index are available, the Final

Reference Price shall be calculated on the basis of such Property Index Prices and Provisional Property Index Prices that are available.

(b) *Interest*

No interest shall accrue as a result of a deferral of a Settlement Date or Redemption Date, as the case may be, under Product Condition 8.2(D)(a).

(c) A **Delayed Publication Disruption Event** will occur if, following the failure of a Property Index Sponsor to publish the Property Index Price, such Property Index Price cannot be determined within the time frames set out in Product Condition 8.2(D)(a).

**(E) Property Index Disruption Events**

(a) If, at any time before a Settlement Date or Redemption Date, as the case may be, a Property Index Disruption Event occurs, the Calculation Agent will then determine: (i) a replacement Property Index (the **Substitute Property Index**); (ii) the appropriate level for the Substitute Property Index; (iii) any adjustments or payments that are commercially appropriate to place the Instrumentholders, as far as reasonably possible, in the economic position they would have been in had the relevant Property Index Disruption Event not occurred; and (iv) the date that the Substitute Property Index will take effect for the Instruments.

(b) If a Substitute Property Index and related matters are not determined under Product Condition 8.2(E)(a), then the Calculation Agent may make its own determination of the level of the relevant Property Index or make such adjustment to the calculation of any amount payable under the Instruments and/or any of the other terms of the Instruments as it may, in its discretion, determine to be appropriate. If it determines that it is unable to make such an adjustment, the Issuer may, having given not more than 30 nor less than 15 days' notice to Instrumentholders in accordance with the Conditions, redeem the Instruments at an amount determined by the Calculation Agent as representing their fair market value on such day as the Calculation Agent shall select in its sole and absolute discretion. The Calculation Agent may also make such adjustments if the Issuer would be entitled to redeem the Instruments under the Conditions for reasons of an Illegality.

## 9 Exchange Traded Funds

9.1 For the avoidance of doubt, references in the Conditions and these Product Conditions to "Shares" includes shares or units in exchange traded funds (and related expressions shall be construed accordingly), subject to Product Condition 9.2.

9.2 If "Exchange Traded Fund" is specified to apply in the applicable Final Terms, the following provisions shall apply in addition to, and without prejudice to, the provisions of Condition 16(B) (*Share Securities*) (except for the provisions relating to "Equity Substitution", which shall not apply) and Product Condition 5.6 (*Market Disruption Events and Adjustments*). In the case of inconsistency between the provisions of this Product Condition 9 and the provisions of Condition 16(B), the provisions of this Product Condition 9 shall prevail:

(1) **Trigger Events**

Each of the following events, as determined by the Calculation Agent and/or the Issuer (as the case may be) (in the sole and absolute discretion of the Issuer or the Calculation Agent (as applicable)), constitutes a **Trigger Event**:

(a) **Global Events:**

- (i) The strategy/investment objective of the Exchange Traded Fund has changed so that it is substantially different from that applicable at the Effective Date or, if applicable, the Substitution Date (as the case may be), or any material change in the underlying nature, strategy or risk of the Exchange Traded Fund's portfolio, over and above that expected with respect to the trading strategies employed.
- (ii) The Calculation Agent is not satisfied that the Exchange Traded Fund is being managed in accordance with its rules or in accordance with the description of the Exchange Traded Fund's strategy/investment/portfolio objectives contained in the relevant Exchange Traded Fund Documents, and the Exchange Traded Fund Management Company, any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund has failed to take any action satisfactory to the Calculation Agent within five Business Days from the date on which such change occurred with a view towards correcting such change.
- (iii) The currency of denomination of the Exchange Traded Fund is amended so that the net asset value of the Exchange Traded Fund is no longer calculated in the same currency as at the Effective Date or, if applicable, Substitution Date, as the case may be.
- (iv) The activities of the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any Exchange Traded Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or investigation by any administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any Exchange Traded Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.
- (v) Written notification by the Exchange Traded Fund Management Company to holders of Exchange Traded Fund Shares, or to the administrator of the Exchange Traded Fund, that it believes it is not advisable to continue operation of the Exchange Traded Fund because it is not economically prudent to do so or the strategy/investment/portfolio objectives of the Exchange Traded Fund cannot be met in the foreseeable future, or for similar reasons or the Exchange Traded Fund ceasing to trade or a petition is made for the winding-up, dissolution or liquidation of the Exchange Traded Fund.
- (vi) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider becomes party to any litigation or dispute which the Calculation Agent considers material.
- (vii) Any security granted by the Exchange Traded Fund, the Exchange Traded Management Company or any Exchange Traded Fund Service Provider over

any of their assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Exchange Traded Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider.

- (viii) The Calculation Agent determines that the operation or organisation of the Exchange Traded Fund or the Exchange Traded Management Company (including, without limitation, its organisational structure and its procedures, processes or policies in respect of investment selection, due diligence, asset allocation, risk management or investment monitoring) has changed from that at the Effective Date or, if applicable, the Substitution Date, as the case may be, or that any such procedures, processes or policies are either not being applied or are not being applied consistently with their application on the Effective Date or, if applicable, the Substitution Date, as the case may be.
- (ix) Any event or change affecting any of the structure, ownership, management, reputation or solvency of the Exchange Traded Fund and/or any units in the capital of the Exchange Traded Fund and/or the Exchange Traded Fund Management Company and/or any Exchange Traded Fund Service Provider that the Calculation Agent does not pre-approve in writing and which is likely to have a significant impact on the price of the Exchange Traded Fund Shares immediately or thereafter which the Calculation Agent determines is material.
- (x) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider has experienced or is experiencing a material adverse change, as determined by the Calculation Agent, in its business, assets, operations or financial condition.
- (xi) Any material amendments, changes, modifications or variations made to any of the material terms and conditions or contents of any Exchange Traded Fund Documents or investment guidelines of the Exchange Traded Fund (including a material change in the liquidity of the Exchange Traded Fund) that has not been previously agreed with the Issuer and which could be detrimental to the Issuer.
- (xii) Any event occurs which, in the opinion of the Calculation Agent, causes or will, with the passage of time, cause the failure of the Exchange Traded Fund Management Company and/or the Exchange Traded Fund and/or any Exchange Traded Fund Service Provider to meet or maintain any material obligation or undertaking under the Exchange Traded Fund's statutory and operating documents.
- (xiii) There is a reduction in the number of Exchange Traded Fund Shares, or there is a reduction in the number of Exchange Traded Fund Shares held for the account of any investor in the Exchange Traded Fund Shares for reasons beyond the control of that investor which the Calculation Agent considers material.

- (xiv) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on any such entity by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Exchange Traded Fund Shares.
- (xv) Any circumstances affecting the availability of Exchange Traded Fund Shares to any actual holder of Exchange Traded Fund Shares as a result of which the Calculation Agent determines that if the Issuer, any of its Affiliates or any Hedge Provider were such holder, it would be unable to hedge its position with respect to the Instruments on terms comparable to those applicable on the Effective Date.
- (xvi) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Exchange Traded Fund (if the Exchange Traded Fund is part of an umbrella structure with more than one sub-fund).
- (xvii) Significant market, trading or exchange disruption and/or crisis in the major financial markets.

**(b) Exchange Traded Fund Net Asset Value and Reporting:**

- (i) The Exchange Traded Fund Management Company (a) fails to calculate the net asset value of the Exchange Traded Fund for three consecutive days on which it was scheduled, in accordance with the rules of the Exchange Traded Fund or the description contained in the relevant Exchange Traded Fund Documents or (b) makes any change to the methodology used for calculating either the net asset value of the Exchange Traded Fund or any estimate of the net asset value of the Exchange Traded Fund or (c) fails to calculate and publish the net asset value of the Exchange Traded Fund with the frequency set out in the relevant Exchange Traded Fund Documents or (d) fails to calculate and deliver any estimate of the Exchange Traded Fund's net asset value to the Issuer or an Affiliate of the Issuer or a Hedge Provider in accordance with such timing as it has previously provided such information.
- (ii) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider amends the time delay between calculation of the net asset value (or any estimated net asset value) of the Exchange Traded Fund and the publication of such net asset value (or estimated net asset value) so that it is no longer the same as set out in the relevant Exchange Traded Fund Documents, or the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider fails to publish any other information relating to the Exchange Traded Fund to be published in accordance with its rules or the relevant Exchange Traded Fund Documents or fails to publish such information in accordance with the timetable therefor set out in its rules or in the relevant Exchange Traded Fund Documents.
- (iii) The audited net asset value of the Exchange Traded Fund is in the determination of the Calculation Agent materially different from the related net asset value previously published by the Exchange Traded Fund, or the

auditors of the Exchange Traded Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Exchange Traded Fund or any net asset value published by the Exchange Traded Fund, or the Calculation Agent considers that the net asset value of the Exchange Traded Fund or of any sub-fund held by the Exchange Traded Fund, in respect of any calculation date, does not reflect the net asset value of such fund as it would have been determined by the independent auditors of that fund using generally accepted accounting standards in the appropriate jurisdiction, unless the Calculation Agent receives the net asset value information in satisfactory form within ten Exchange Traded Fund Business Days of the date it was originally due.

- (iv) The decline in assets under management of the Exchange Traded Fund since the Effective Date or, if applicable, the Substitution Date, as the case may be, is greater than 50 per cent., as determined by the Calculation Agent.
- (v) The Calculation Agent has not received from the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund, any reports, including but not limited to, risk reporting and/or financial reporting and/or audit reporting, required by the Calculation Agent in connection with the relevant Instruments within any agreed time scale or has received, in the opinion of the Calculation Agent, erroneous reporting, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any director of the Exchange Traded Fund or Exchange Traded Fund Service Provider.

(c) **Exchange Traded Fund Shares:**

Any of the following events relating to the Exchange Traded Fund Shares:

- (i) a subdivision, reclassification or distribution of Exchange Traded Fund Shares which has a diluting or concentrative effect on the theoretical value of the Exchange Traded Fund Shares;
- (ii) a (A) dividend (including cash and whether ordinary or extraordinary), (B) distribution or (C) issue of Exchange Traded Fund Shares, capital, securities, rights or other assets or interests to existing holders of Exchange Traded Fund Shares which has or, in the opinion of the Calculation Agent, is likely to have an effect on the value of the Exchange Traded Fund Shares;
- (iii) a call by the Exchange Traded Fund in respect of Exchange Traded Fund Shares that are not fully paid; or
- (iv) any suspension or limitation on the trading of the relevant currencies in which the Exchange Traded Fund Shares are denominated.

(d) **Trading:**

- (i) The Issuer, its Affiliates or any Hedge Provider would be required to pay or would otherwise incur (a) a subscription fee in respect of a purchase of Exchange Traded Fund Shares or (b) a redemption fee in respect of a sale of Exchange Traded Fund Shares (as the case may be) of the Exchange Traded

Fund in relation to their hedging activities in respect of the relevant Instruments.

- (ii) Any material suspension of or limitation imposed on trading of the Exchange Traded Fund or on trading in the Exchange Traded Fund Shares or any relevant currencies in which the Exchange Traded Fund Shares are denominated (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Exchange Traded Fund Shares is deferred in whole or in part or is made at a value other than the relevant price.
- (iii) The failure of trading to commence, or the permanent discontinuation of trading of the Exchange Traded Fund or in the Exchange Traded Fund Shares.
- (iv) The Issuer, its Affiliates or any Hedge Provider would be obliged (whether by the Exchange Traded Fund Management Company or otherwise) to redeem all or some of the Exchange Traded Fund Shares that it is holding in relation to its hedging activities in respect of the relevant Instruments.
- (v) If, in the determination of the Calculation Agent, the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or funding spread to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Exchange Traded Fund Shares of entering into and performing its obligations with respect to the relevant Instruments or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
- (vi) The Exchange Traded Fund or the Exchange Traded Fund Management Company amends the timing for subscription or redemption of Exchange Traded Fund Shares, including, without limitation, the timetable for payment of redemption proceeds upon redemption.
- (vii) The Calculation Agent determines that if the Issuer or any of its Affiliates were to redeem Exchange Traded Fund Shares, such person would not (i) receive full proceeds of such redemption in cash in accordance with the redemption proceeds timing set out in the relevant Exchange Traded Fund Documents or (ii) receive any in-kind distribution in full or part satisfaction of the redemption proceeds paid or payable to it.
- (viii) The occurrence of any of the following: (i) a devaluation generally of, or decrease in liquidity in respect of, investments in any market in which the Exchange Traded Fund is invested; (ii) a lack of availability of interbank funding to the Issuer, any of the Issuer's Affiliates or any Hedge Provider at a commercially reasonable rate for the purposes of acquiring or maintaining a position in the Exchange Traded Fund Shares; or (iii) any other market restrictions or events that have an adverse effect on the value of the Exchange Traded Fund Shares, or on the ability of the Issuer, any of the Issuer's Affiliates or any Hedge Provider to hedge its exposure in connection with the relevant Instruments, as determined by the Calculation Agent in its discretion.

(ix) Any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between the Issuer and the Exchange Traded Fund, or the Exchange Traded Fund Management Company, any Exchange Traded Fund Service Provider or the directors of the Exchange Traded Fund, which the Calculation Agent is advised, to its reasonable satisfaction, to be unenforceable.

(e) **Exchange Traded Fund Management Company and Exchange Traded Fund Service Provider Failures:**

- (i) The Exchange Traded Fund Management Company indicates or acknowledges that in its opinion the strategy/investment/portfolio objectives of the Exchange Traded Fund will not be, or are no longer able to be, met or the Exchange Traded Fund Management Company proposes or recommends the liquidation, dissolution or discontinuance of the Exchange Traded Fund.
- (ii) Failure by the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider to (a) submit redemption notices, enter into subscription agreements, or take other action, in each case, within five Exchange Traded Fund Business Days from the date on which a breach of the Portfolio Guidelines occurred, with a view towards curing such breach or (b) actually cure any breach of the parameters of the Portfolio Guidelines on the date on which the relevant breach of the Portfolio Guidelines occurred.
- (iii) The Calculation Agent is unable, or it is impracticable for the Calculation Agent, to promptly obtain any information in relation to the business, assets, operations or financial condition of the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider which the Calculation Agent deems necessary for any determinations, including, but not be limited to, determinations in respect of the breach of any parameter of the Portfolio Guidelines and the occurrence of any Trigger Event or in the execution of its duties and obligations under the relevant Instruments.
- (iv) Other than in connection with a market disruption, a failure by the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider to submit redemption notices to the entities in which the Fund invests as and when required to begin the redemption process.
- (v) Failure by the Exchange Traded Fund Management Company to take action satisfactory to the Calculation Agent and within a prompt timescale satisfactory to the Calculation Agent so as to have cured within such time period as may be agreed to from time to time between the Calculation Agent and the Exchange Traded Fund or the Exchange Traded Fund Management Company any breach of any representations, covenants and agreements under the investment management agreement relating to the Exchange Traded Fund.
- (vi) Resignation by the Exchange Traded Fund Management Company as investment manager of the Exchange Traded Fund or any Exchange Traded Fund Service Provider, or termination or other change of the Exchange Traded Fund Management Company as investment manager or other Exchange Traded Fund Service Provider or any change in the personnel of

the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider, which the Calculation Agent considers material.

- (vii) The Exchange Traded Fund Management Company increases its management fee or incentive fee charged to the Exchange Traded Fund in an amount that the Calculation Agent determines is material.
- (viii) The Exchange Traded Fund Management Company, the Exchange Traded Fund or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund fails to provide the Calculation Agent with adequate information as may be required to determine the occurrence of a Trigger Event.
- (ix) Failure by the Exchange Traded Fund and/or the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund to notify or disclose to the Issuer, on the Effective Date, any information, event or circumstance that was in existence on such date and which the Calculation Agent determines is material.
- (x) The Exchange Traded Fund Management Company ceases to exist or trade or a petition is made for the winding-up, dissolution or liquidation of the Exchange Traded Fund Management Company.

(f) **Exchange Traded Fund Service Provider Failures:**

Any Exchange Traded Fund Service Provider or the Exchange Traded Fund Management Company resigns or their relationship with the Exchange Traded Fund or the Exchange Traded Fund Management Company, as applicable, is otherwise terminated and the Calculation Agent considers that such resignation or termination (as the case may be) is material, or such party is bankrupt, insolvent, wound-up, liquidated, dissolved, ceases to exist or otherwise ceases to continue to perform its duties.

(g) **Regulatory Constraints:**

- (i) There is any change in the regulatory or tax treatment applicable with respect to the Exchange Traded Fund, the Exchange Traded Fund Management Company or Exchange Traded Fund Service Provider which, in the determination of the Calculation Agent, could have an economic impact for the Issuer, its Affiliates or any Hedge Provider as a holder of an interest in the Exchange Traded Fund, as the case may be, or could materially adversely affect the carrying out of the strategy/investment objective of the Exchange Traded Fund or could result in the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider incurring additional costs which, in the determination of the Calculation Agent, would be material.
- (ii) The Issuer deems it necessary or appropriate, in order for it or any of its Affiliates or any Hedge Provider to comply with or remain within any applicable legal and/or regulatory limits on the amounts of Exchange Traded Fund Shares that it or they may hold, to redeem all or some of the Exchange Traded Fund Shares.

(iii) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on it by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory or accounting reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Exchange Traded Fund Shares.

(h) **Hedge Provider:**

(i) A material decline in the creditworthiness of a party with whom the Issuer has entered into any relevant hedging transaction (a **Relevant Hedging Transaction**) in respect of the Issuer's obligations in connection with the Instruments.

(ii) The general unavailability of:

(a) market participants who will agree to enter into a Relevant Hedging Transaction; or

(b) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(i) **General:** Any other event which, in the determination of the Calculation Agent, has an analogous effect to any of the events specified in this Product Condition 9.2(1).

(2) **Consequences of a Trigger Event etc**

Following the determination by the Calculation Agent of the occurrence of any Trigger Event, Potential Trigger Event or Insolvency in respect of the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider, or any Merger Event in respect of the Exchange Traded Fund or the Exchange Traded Fund Management Company, (and regardless of whether or not such event is then continuing) the Calculation Agent may (but shall not be obliged to) in its discretion take any of following actions (each, a **Permitted Action**):

(i) (a) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and relating to the relevant Instruments as the Calculation Agent determines appropriate to account for the economic effect on the relevant Instruments of such Trigger Event, Potential Trigger Event, Insolvency or Merger Event and (b) determine the effective date of the relevant adjustments; or

(ii) if specified as applicable in the applicable Final Terms, select a replacement exchange traded fund (the **Replacement Exchange Traded Fund**), which in its reasonable opinion has a similar risk profile as the Exchange Traded Fund as determined by the Calculation Agent to replace such Exchange Traded Fund and the appropriate date (the **Substitution Date**) for the replacement of the Exchange Traded Fund by the Replacement Exchange Traded Fund.

Following any such selection (i) the Replacement Exchange Traded Fund shall replace the Exchange Traded Fund on the Substitution Date and (ii) the Calculation Agent shall, in good faith, make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the relevant Instruments to reflect such substitution;

- (iii) terminate all, but not some only, of the relevant Instruments, in which case the Issuer will, to the extent permitted by applicable law, pay to each relevant Instrumentholder in respect of each Instrument held by such Instrumentholder an amount (the **Trigger Event Termination Amount**) equal to the amount specified as such in the applicable Final Terms; or
- (iv) if "Suspension Asset" is specified as applicable in the applicable Final Terms, make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions as are necessary to reflect a notional liquidation of all of the Exchange Traded Fund Shares (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Exchange Traded Fund Shares at the relevant time) and a notional investment of the liquidation proceeds in either (i) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Instrument equal to the Issue Price of the Instrument, (ii) commercial paper rated at least A1/P1 or above by Moody's Investors Service, Inc. (any transaction costs that would be incurred in respect of an actual such investment may be deducted from the value of the Instrument) or (iii) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Calculation Agent in respect of such a deposit (each a **Suspension Asset**) as determined by the Calculation Agent in its discretion.

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

Notwithstanding anything contained in this Product Condition 9.2(2), the Calculation Agent is under no obligation to determine that a Trigger Event, Potential Trigger Event, Insolvency or Merger Event has occurred or take any or all of the Permitted Actions.

### (3) **Adjustments for Non-Business Days etc**

If a day in respect of which the price of the Exchange Traded Fund Shares is to be determined is not a Scheduled Trading Day or is a Disrupted Day (as each such term is defined in the Conditions) or is otherwise a day on which, in the determination of the Calculation Agent, such price cannot be determined, such day may be deferred, brought forward or omitted in respect of either just the affected Exchange Traded Fund or all of the Exchange Traded Funds, as determined by the Calculation Agent and/or the Calculation Agent may make its own determination of such price and/or adjust any of the other terms of the Conditions and these Product Conditions and/or the applicable Final Terms as it may, in its discretion, determine to be appropriate. If it determines that it is unable to make such an adjustment, the Issuer may, having given not more than 30 nor less than 15 days' notice to Instrumentholders in accordance with the Conditions, redeem the Instruments at an amount determined by the Calculation Agent as representing their fair market value on such day as the Calculation Agent shall select in its sole and absolute discretion. The Calculation Agent may also make such adjustments if the Issuer would be entitled to redeem the Instruments under the Conditions for reasons of an Illegality.

For the purposes of this Product Condition 9.2:

**Effective Date** means the date on which any Hedge Position becomes effective.

**Exchange Traded Fund** means, subject to adjustment or substitution (if applicable) in accordance with this Product Condition 9, the issuer in respect of any share specified in the applicable Final Terms where such issuer is identified in the applicable Final Terms to be an "Exchange Traded Fund" (being the relevant "Share Company" or, as the case may be "Basket Company" specified in the applicable Final terms in respect of any such share) and related expressions shall be construed accordingly.

**Exchange Traded Fund Business Day** means any day that is not a Saturday or a Sunday on which banks are open for general business in the jurisdiction(s) specified in the applicable Final Terms.

**Exchange Traded Fund Documents** means the constitutive and governing documents of the relevant Exchange Traded Fund, including, but not limited to any prospectus, offering memorandum, listing particulars or other document which contains, among other things, the investment objectives, Portfolio Guidelines or strategy of the Exchange Traded Fund and the subscription agreements and other agreements relating to Exchange Traded Fund Shares.

**Exchange Traded Fund Management Company** means, in respect of an Exchange Traded Fund, the investment manager of the Exchange Traded Fund or, in respect of any publication of the net asset value of the Exchange Traded Fund, the service provider responsible for publishing such net asset value.

**Exchange Traded Fund Service Provider** means any third party service provider appointed to provide services, directly or indirectly, to the Exchange Traded Fund, whether or not specified in any Exchange Traded Fund Documents, including but not limited to any adviser, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

**Exchange Traded Fund Shares** means the shares issued by an issuer which is identified in the applicable Final Terms to be an "Exchange Traded Fund".

**Hedge Position** means any purchase, sale, entry into or maintenance of, one or more (i) positions or contracts in Exchange Traded Fund Shares, securities, options, futures, derivatives or foreign exchange, (ii) securities lending transactions or (iii) other instruments or arrangements (however described) by the Issuer, the Calculation Agent or any Hedge Provider in order to hedge the Issuer's risk of entering into and performing its obligations with respect to Instruments.

**Hedge Provider** means any Affiliate(s) and/or any other part(y)(ies) and/or any special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer's hedging arrangements in respect of Instruments.

**Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Relevant Party or an Exchange Traded Fund Service Provider, (A) all the shares, units or other equity interests of that Relevant Party or Exchange Traded Fund Service Provider, respectively, are required to be transferred to a trustee, liquidator or other similar official or (B) holders of all or some of the shares, units or other equity interests of that Relevant Party or Exchange Traded Fund Service Provider, respectively, become legally prohibited from transferring them.

**Merger Event** means, in respect of any relevant shares, units or interests issued by a Relevant Party, any (i) reclassification or change of such shares, units or interests that results in a transfer of or an irrevocable commitment to transfer all of such shares, units or interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of such Relevant Party with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Relevant Party is the continuing entity and which does not result in a reclassification or change of all of such shares, units or interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares, units or interests of such Relevant Party that results in a transfer of or an irrevocable commitment to transfer all such shares, units or interests (other than such shares, units or interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Exchange Traded Fund or Exchange Traded Fund Management Company, as applicable, or its subsidiaries with or into another entity in which the Exchange Traded Fund or Exchange Traded Management Company, as applicable, is the continuing entity and which does not result in a reclassification or change of all such shares, units or interests outstanding but results in the outstanding shares, units or interests (other than shares, units or interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares, units or interests immediately following such event.

**Portfolio Guidelines** means the investment guidelines, objectives and restrictions of the Exchange Traded Fund as set out in the relevant Exchange Traded Fund Documents.

**Potential Trigger Event** means any event or circumstance which would or may (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing), in the determination of the Calculation Agent, constitute or cause a Trigger Event or where the Calculation Agent reasonably believes in good faith that a Trigger Event may have occurred but does not at that time have evidence thereof.

**Relevant Party** means the Exchange Traded Fund, its Exchange Traded Fund Management Company or any prime broker, custodian or other service provider to the Exchange Traded Fund.

**Trigger Event** has the meaning given above.

## 10 Multi Asset Basket Instruments

Instruments may be issued which are linked to a basket comprising two or more different classes of Reference Items (each such component Reference Item, a **Component**, as specified in the applicable Final Terms and such Instruments being **Multi Asset Basket Instruments**). For the avoidance of doubt, there may be more than one component of a class of Reference Item.

## 11 General Instruments

Instruments may be issued which are not linked to any Reference Item (such Instruments, **General Instruments**).

## 12 Interest

The Instruments may bear interest by reference to one or more fixed rates (**Fixed Rate Instruments**) or one or more floating rates (**Floating Rate Instruments**).

(a) *Interest on Fixed Rate Instruments*

Each Fixed Rate Instrument bears interest from (and including) the Interest Commencement Date to (but excluding) the Redemption Date or Expiration Date, as the case may be at the rate(s) per annum equal to the Rate(s) of Interest and such interest shall be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date or Expiration Date, as the case may be.

Interest on the Fixed Rate Instruments shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Instruments which are represented by a Global Instrument, the aggregate outstanding Nominal Amount of the Fixed Rate Instruments represented by such Global Instrument unless a Calculation Amount is specified in the applicable Final Terms, in which case, the Calculation Amount; or
- (B) in all other circumstances, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In this Product Condition 12(a):

**Calculation Amount** means the amount per Instrument specified in the applicable Final Terms;

**Day Count Fraction** has the meaning given to it in Product Condition 12(c);

**Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

**Interest Commencement Date** means the date so specified in the applicable Final Terms;

**Nominal Amount** means the amount specified as such in the applicable Final Terms; and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Instruments*

(i) *Interest Payment Dates*

Each Floating Rate Instrument bears interest from (and including) the Interest Commencement Date (as defined in Product Condition 12(a)) at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each also an **Interest Payment Date**) which (save as otherwise mentioned in these Terms and Conditions or specified in the applicable Final Terms) falls the number of months or such other periods specified as the specified period(s)

in the applicable Final Terms (each a **Specified Period**) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest

The rate of interest (the **Rate of Interest**) payable from time to time in respect of Floating Rate Instruments will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination for Floating Rate Instruments

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the margin (if any) specified in the applicable Final Terms (the **Margin**). For the purposes of this sub-paragraph (iii), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Certificate and Warrant Agent or the Registrar or other person specified in the applicable Final Terms under an interest rate swap transaction if the Principal Certificate and Warrant Agent or the Registrar or that other person, as the case may be, were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period equal to that Interest Period; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (iii), (a) **ISDA Definitions** means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first tranche of the Instruments of the relevant Series, published by the International Swaps and Derivatives Association, Inc. and (b) **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions and **Euro-zone** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the treaty establishing the European Community as amended.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Product Condition 12(b), **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date which may or may not be the same number of months or other period throughout the life of the Instruments.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period:

- (A) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Principal Certificate and Warrant Agent or the Registrar, as the case may be, in accordance with this sub-paragraph (iii) plus or minus (as indicated in the applicable Final Terms) the Margin (if any); and
- (B) the Principal Certificate and Warrant Agent or the Registrar, as the case may be, will be deemed to have discharged its obligations under this Product Condition 12(b)(vi)

in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (iii).

(iv) Screen Rate Determination for Floating Rate Instruments

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) (subject as below) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page),

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time) in the case of LIBOR or 11.00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date in question (as indicated in the applicable Final Terms) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Certificate and Warrant Agent or the Registrar, as the case may be. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Certificate and Warrant Agent or the Registrar, as the case may be, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at such time, the Principal Certificate and Warrant Agent or the Registrar, as the case may be, shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks (as defined below) or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Principal Certificate and Warrant Agent or the Registrar, as the case may be, with its offered quotation (expressed as a percentage rate per annum) for deposits in the Settlement Currency for the relevant Interest Period to leading banks in the London inter-bank market as at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, to leading banks in the Euro-zone inter-bank market as at 11.00 a.m. (Brussels time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Certificate and Warrant Agent or the Registrar, as the case may be, with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Certificate and Warrant Agent or the Registrar, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Certificate and Warrant Agent or the Registrar, as the case may be, with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Certificate and Warrant Agent or the Registrar, as the case may be, determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Principal Certificate and Warrant Agent or the Registrar, as the case may be, by the Reference

Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time) in the case of LIBOR or, 11.00 a.m. (Brussels time) in the case of EURIBOR, on the relevant Interest Determination Date, deposits in the Settlement Currency for the relevant Interest Period by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Certificate and Warrant Agent or the Registrar, as the case may be, with such offered rates, the offered rate for deposits in the Settlement Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for the relevant Interest Period, at which, at approximately 11.00 a.m. (London time), in the case of LIBOR, or 11.00 a.m. (Brussels time), in the case of EURIBOR, on the relevant Interest Determination Date, any one or more banks selected by the Principal Certificate and Warrant Agent or the Registrar, as the case may be, for the purpose (which bank or banks shall be so selected after consultation with the Issuer and shall not include any bank or banks which in the opinion of the Issuer is not or are not suitable for such purpose) informs the Principal Certificate and Warrant Agent or the Registrar, as the case may be, it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this paragraph, the expression **Reference Banks** means, in the case of (A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared and **Euro-zone** means the region comprised of member states of the European Union that have adopted or, during the lifetime of the Instruments, adopt the euro as the single currency in accordance with the Treaty.

If the Reference Rate from time to time in respect of this Instrument is specified in the applicable Final Terms as being other than the LIBOR or EURIBOR, the Rate of Interest in respect of this Instrument will be determined as provided in the applicable Final Terms.

(v) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period determined in accordance with the above provisions shall in no event be less than such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period determined in accordance with the above provisions shall in no event exceed such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will in the case of Floating Rate Instruments, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest.

Unless otherwise specified in the applicable Final Terms, the Principal Certificate and Warrant Agent or the Registrar, as the case may be, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Instruments for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Instruments which are represented by a Global Instrument, the aggregate outstanding Nominal Amount (as defined in Product Condition 12(a)) of the Floating Rate Instruments represented by such Global Instrument unless a Calculation Amount is specified in the applicable Final Terms, in which case, the Calculation Amount; or
- (B) in all other circumstances, the Calculation Amount (as defined in Product Condition 12(a)),

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) **Notification of Rate of Interest and Interest Amount**

The Principal Certificate and Warrant Agent or the Registrar, as the case may be, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Instruments are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Instruments are for the time being listed and to the Instrumentholders in accordance with Condition 12.

(viii) **Determination or Calculation by the Issuer**

If for any reason the Principal Certificate and Warrant Agent, the Registrar or the Calculation Agent, as the case may be, defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with this Product Condition 12(b), the Issuer shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions in this Product Condition 12(b) and to any terms specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Certificate and Warrant Agent, the Registrar or the Calculation Agent, as applicable.

(ix) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Product Condition 12(b) whether by the Principal Certificate and Warrant Agent, the Registrar, the Calculation Agent or the Issuer shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Certificate and Warrant Agent, the Registrar, the Calculation Agent, the other Agents and all Instrumentholders and

(in the absence as aforesaid) no liability shall attach to the Principal Certificate and Warrant Agent, the Registrar, the Calculation Agent or the Issuer, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Day Count Fraction and Business Day Convention*

(i) *Day Count Fraction*

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time (the **Calculation Period**):

1. if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
2. if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
3. if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
4. if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

5. if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D<sub>1</sub>** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

6. if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D<sub>1</sub>** is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
- D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Redemption Date or Expiration Date, as the case may be or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

7. if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

**Determination Period** means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

**Reference Rate** means the rate specified as such in the applicable Final Terms.

**Relevant Screen Page** means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms.

(ii) **Business Day Convention**

If any Interest Payment Date (or other date) which is specified in the applicable Final Terms to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in the case where a Specified Period is specified in accordance with Product Condition 12(b)(i)(B), the Floating Rate Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (b) after the foregoing paragraph (a) shall have applied, each subsequent Interest Payment Date (or other date) shall be the last Business Day of the last month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

(d) *Accrual of Interest*

Each Instrument will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Instrument have been paid and/or all assets deliverable in respect of such Instrument have been delivered; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Instrument has been received by the Principal Certificate and Warrant Agent or the Registrar, as the case may be, and/or all assets in respect of such Instrument have been received by any agent appointed by the Issuer to deliver such assets to Instrumentholders and notice to that effect has been given to the Instrumentholders in accordance with Condition 12.

**13 Issuer Call *THIS PRODUCT CONDITION IS APPLICABLE FOR ISSUES OF REDEEMABLE CERTIFICATES ONLY***

If Issuer Call is specified to apply in the applicable Final Terms, the Issuer may terminate (notwithstanding any other provision of these Product Conditions or the Conditions) the Instruments, in whole but not in part on any Business Day, by giving Instrumentholders notice, of not less than the Issuer Call Notice Period, of its intention to terminate the Instruments, 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 Condition 12, and shall specify the Issuer Call Date.

**14 Clearing through Euroclear Sweden AB**

If clearing through Euroclear Sweden AB (defined below) is specified to apply in the applicable Final Terms, the following provisions shall apply:

<b>1</b>	<b>Form of Instruments:</b>	Registered Instruments in dematerialised and uncertificated form in accordance with the Rules (as defined below).
<b>2</b>	<b>Business Day Centre(s):</b>	Stockholm
<b>3</b>	<b>Other provisions:</b>	Registrar (Sw. central värdepappersförvarare under the Swedish Financial Instruments Accounts Act):  Euroclear Sweden AB ( <b>Euroclear Sweden</b> ) Box 7822 SE-103 97 Stockholm

**Issuing Agent (Sw. emissionsinstitut):**

SEB Merchant Banking  
Securities Services  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm

So long as Euroclear Sweden is the Registrar in respect of the Instruments the following provisions shall apply and, notwithstanding any provisions in the Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Rules, in the sole opinion of Euroclear Sweden:

(i) Title to the Instruments will pass by transfer between accountholders at Euroclear Sweden perfected in accordance with the legislation (including the Swedish Financial Instruments Accounts Act (SFS 1998:1479)), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time (the **Rules**), and Condition 1(B) and 1(C) shall not apply.

**Instrumentholder, Warrantholder, Redeemable Certificateholder and holder of Instruments** means a person in whose name an Instrument is registered in a Euroclear Sweden Account in the book-entry settlement system of Euroclear Sweden or any other person recognised as a holder of Instruments pursuant to the Rules and accordingly, where Instruments are held through a registered nominee, the nominee shall be deemed to be the holder.

**Register** means the register of Euroclear Sweden.

(ii) No physical document of title, such as global temporary or permanent warrants or certificates or definitive warrants or certificates, will be issued in respect of the Instruments. All Instruments will be registered in the book-entry system of Euroclear Sweden.

(iii) In respect of Warrants cleared through Euroclear Sweden, "Automatic Exercise: No delivery of Exercise Notice" shall always apply, unless the applicable Final Terms explicitly (a) state that "Automatic Exercise: No delivery of Exercise Notice" is not applicable and (b) include all relevant provisions (1) to enable the Warrantholders to exercise the relevant Warrants and (2) to enable the Issuing Agent and Issuer to verify and effect any such exercise.

(iv) Payments in respect of the Instruments will be effected in accordance with the Rules and Conditions 5, 6 and 8 shall be construed accordingly. The record date for payment is (a) in the case of unit settled Instruments, the fourth Stockholm Business Day before the due date for payment and (b) in the case of notionally settled Instruments, the fifth Stockholm Business Day before the due date for payment (or, in each case, such other date which is generally applied pursuant to the then applicable Rules for the purposes of determining who is entitled to payments under the Instruments). Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Stockholm Business Day. **Stockholm Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Stockholm.□

(v) In relation to Physical Delivery Certificates the Redeemable Certificateholder must deliver a duly completed Asset Transfer

Notice to the Issuing Agent (or such other person designated by the then applicable Rules to be responsible for such actions) in the form and with the content prescribed by the form of such notice set out in the Agency Agreement (copies of which form may be obtained from the Issuing Agent) (an **Asset Transfer Notice**) and Condition 8 shall be construed accordingly. The Asset Transfer Notice must be delivered with a copy to the Principal Certificate and Warrant Agent and the Issuer, in each case, not later than on a date falling not less than ten Stockholm Business Days prior to the Redemption Date. Upon receipt of an Asset Transfer Notice the Issuing Agent will request the Registrar to verify that the person redeeming the Redeemable Certificates specified therein was on the relevant Redemption Date, the Redeemable Certificateholder thereof according to the books of the Registrar. The verification and debiting of the relevant securities accounts shall be pursuant to the then applicable Rules and, where deemed appropriate by the Issuing Agent, the Issuing Agent shall request and/or effect the transfer by the relevant Redeemable Certificateholder to an account blocked for further transfers until such debiting may occur. Physical Settlement will occur in accordance with the Rules and delivery will be effected to the Redeemable Certificateholder recorded as such on the relevant record date. Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the Issuing Agent in consultation with the Principal Certificate and Warrant Agent and the Issuer and shall be conclusive and binding on the Issuer, the Certificate and Warrant Agents and the relevant Redeemable Certificateholder.

- (vi) The Issuer shall be entitled to obtain from Euroclear Sweden extracts from the book entry registers of Euroclear Sweden (Sw. Skuldbok) relating to the Instruments for the purposes of performing its obligations pursuant to the Conditions.
- (vii) So long as any of the Instruments are outstanding, the Issuer will maintain an Issuing Agent duly authorised as such under the Rules.
- (viii) All notices to holders of Instruments cleared through Euroclear Sweden shall be valid if delivered to the Registrar for communication by the Registrar to the Instrumentholders and Condition 12 shall be construed accordingly.

## 15 Clearing through VPS

If clearing through VPS (defined below) is specified to apply in the applicable Final Terms, the following provisions shall apply:

1 Type of Instruments:	The Instruments shall be Cash Settled Instruments and, if Warrants, shall be European Style Warrants to which "Automatic Exercise: No delivery of Exercise Notice" shall apply and, if Certificates, shall be
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Redeemable Certificates.

**2** Form of Instruments: The Instruments shall be registered Instruments registered in the Register in dematerialised and uncertificated form in accordance with the Rules (as defined below).

**3** Business Day Centre(s): Oslo

**4** Other provisions: Securities Depository: Verdipapirsentralen ASA (**VPS**)  
Biskop Gunnerus' Gate 14 A  
Postboks 4,  
0051 Oslo  
Registrar (Norwegian kontofører utsteder under the Norwegian Securities Register Act dated 5 July 2002 no. 64):  
Skandinaviska Enskilda Banken AB (publ) (**SEB**) acting through its division SEB Merchant Banking,  
Custody Services  
P.O. Box 1843  
Vika No-0123 Oslo  
So long as the Instruments are registered in VPS the following provisions shall apply and, notwithstanding any provisions in the Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Rules, in the sole opinion of VPS:

(i) Title to the Instruments will pass by transfer between accountholders at VPS perfected in accordance with the legislation, rules and regulations applicable to and/or issued by VPS that are in force and effect from time to time (the **Rules**), and paragraphs (B) and (C) of Condition 1 shall not apply. No such transfer may take place during the five Oslo Business Days immediately preceding the Settlement Date or Redemption Date.

**Oslo Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Oslo.

**Instrumentholder, Warrantholder, Redeemable Certificateholder** and **holder** means a person in whose name an Instrument is registered in a VPS Account in the book-entry system of VPS or any other person recognised as a holder of Instruments pursuant to the Rules and accordingly, where Instruments are held through a registered nominee, the nominee shall be deemed to be the holder.

**Register** means the register of VPS.

(ii) No physical document of title, such as global temporary or permanent warrants or certificates or definitive warrants or certificates, will be issued in respect of the Instruments. No certificates in respect of the Instruments will be issued and

provisions relating to presentation, surrendering or replacement of certificates in the Conditions shall not apply. All Instruments will be registered in the book-entry system of VPS.

- (iii) Payments in respect of the Instruments will be effected in the Settlement Currency in accordance with the Rules and references in Conditions 5(B) and 8(B) to payments to, or to the order of the Common Depositary and the rules of Clearstream, Luxembourg or Euroclear shall be construed as references to payments in accordance with the Rules. Unless otherwise specified in the relevant Final Terms, the record date for payment is the 5th Oslo Business Day before the due date for payment or such other date as follows from the Rules. Instrumentholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being an Oslo Business Day.
- (iv) The Instrumentholders accept and consent to the Issuer being entitled to obtain from VPS extracts from the book entry registers of VPS relating to the Instruments for the purposes of performing its obligations pursuant to the Conditions.
- (v) In the case of a meeting of Instrumentholders, the Issuer may prescribe such further provisions in relation to the holding of meetings as it may determine to be appropriate in order to take account of the Rules.
- (vi) References in Conditions 6(F) and 8(F) to the Common Depositary, Clearstream, Luxembourg and Euroclear shall be construed as references to VPS or the Registrar. The second paragraph of each of Conditions 6(F) and 8(F) shall not apply.
- (vii) Condition 12 shall be amended by the addition of the following to the end of (i)(a) "or, in the case of Instruments cleared through VPS, to their registered address appearing on the Register or as otherwise determined by applicable procedures of VPS or law".

## OTHER INFORMATION

### Performance of the Reference Items

Information as to (i) the Level of any Reference Item or the methodology, calculation and value of any Index; and (ii) the past and the further performance of any Reference Item as well as its volatility, is available on the websites or from the other sources (the **Information Source**) specified in the section entitled "Information on the Underlying" for that Reference Item in the applicable Final Terms (provided that the Information Source under that section does not form part of this Prospectus or the terms and conditions of the Instruments).

### Return on expiry or redemption

#### Cash Amount

If "Cash Settled Instruments" is specified to apply in the applicable Final Terms, when the Instruments are exercised or redeemed (which may be earlier than the Expiration Date or Redemption Date, if so provided in the applicable Final Terms), investors will receive the Cash Amount (if any) on the Settlement Date or Redemption Date (or such other date specified in the applicable Final Terms) determined in accordance with the formula specified in the applicable Final Terms. Exercise of the Instruments (if applicable) will, if so specified in the applicable Final Terms, be automatic, or otherwise be subject to receipt of a duly completed exercise notice.

The Cash Amount may depend upon the difference between (i) the final level and (ii) the initial or other specified Level of one or more Reference Items and may be subject to, or otherwise affected by, any cap(s), floor(s), weightings(s), participation or leverage percentage, early termination provisions or performance parameters in respect of one or more Reference Items as may be specified in the applicable Final Terms. In some cases, the Cash Amount may be a fixed amount.

The Cash Amount may also reflect a protected return (the **Protected Return**) based on (i) the performance of one or more Reference Items or (ii) a fixed or other rate which accrues daily, in each case, if so specified in the applicable Final Terms. The Protected Return, or its accrual on any day, may also be subject to a cap, floor or subject to certain conditions being met (such as the aggregate outstanding nominal amount of the Instruments or other securities issued by the Issuer being above a particular level).

The Instruments may or may not be partially or wholly principal protected.

Certain fees or Expenses of the Issuer may apply resulting in a lower Cash Amount.

#### Physical Settlement

If "Physical Delivery Instruments" is specified to apply in the applicable Final Terms, when the Instruments are exercised or redeemed, investors will receive on the Settlement Date or Redemption Date (or such other date specified in the applicable Final Terms) the relevant number of shares in respect of each share issuer, subject to payment of any Expenses, pursuant to the terms and conditions of the Instruments.

**Expenses** means, in respect of an Instrument, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise or redemption of such Instrument and/or (ii) any payment or delivery due following exercise, redemption or otherwise, as the case may be, in respect of such Instrument.

**Expiration Date** means the date (if any) specified as such in the applicable Final Terms.

**Redemption Date** means the date (if any) specified as such in the applicable Final Terms.

**Reference Items** means each reference item (if any) specified as such in the applicable Final Terms which may be a commodity or related forward or futures contract, a currency, a fund, a forward or futures contract relating to one or more government bonds, an index, an inflation index, a property index, a share or a certificate.

**Settlement Date** means the date (if any) specified as such in the applicable Final Terms.

#### **Other**

The Cash Amount is payable on the Settlement Date or the Redemption Date specified in the applicable Final Terms.

Unless otherwise provided in the applicable Final Terms, the Instruments may only be terminated before the Settlement Date or the Redemption Date for reasons of the illegality of the Issuer's payment obligations or its hedging arrangements or certain changes affecting the tax treatment of the Issuer or its Affiliates in relation to the Instruments or such hedging arrangements or certain events affecting the Reference Item(s) (if any). In such event, the Instruments will be cancelled at an amount which represents their fair market value (ignoring for these purposes any such illegality) less the cost of unwinding such hedging arrangements or any other amount specified in the applicable Final Terms.

The full terms and conditions contain provisions dealing with non-business days, disruptions and adjustments that may affect the Reference Item(s) (if any) or the timing of calculations or payments under the Instruments.

## MARKET MAKING ARRANGEMENTS

Where Instruments are offered to the public, unless otherwise specified in the applicable Final Terms, the Issuer will enter into a market making agreement with the relevant Distributor under which, so long as that agreement remains in force, the relevant Distributor will provide indicative prices for Instruments to investors or, upon request, a firm price for Instruments, subject in each case to it having received such an indicative or, as the case may be, firm price from the Issuer. In the absence of receiving such a price, the relevant Distributor may provide an indicative or firm price at its discretion.

## TERMS AND CONDITIONS OF THE OFFER

An investor intending to acquire or acquiring any Instruments from an offeror will do so, and offers and sales of the Instruments to an investor by an offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors (except where the Issuer is itself the relevant offeror) and, accordingly, this Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant offeror. Investors should however note the following:

**Amount of the offer:** The nominal amount or number of Instruments subject to the offer may be specified in the applicable Final Terms. If the nominal amount or number of Instruments subject to the offer is not specified in the applicable Final Terms, such Final Terms may specify that it will be determined on the basis of the demand for the Instruments and prevailing market conditions and be published in accordance with Article 8 of the Prospectus Directive.

**Liability for the offer:** Where the Issuer is not the offeror, any offers by such other offeror specified in the applicable Final Terms, will be made in its own name and not as an agent of the Issuer. Only the offeror of Instruments will be liable for the relevant offer. The Issuer accepts no liability for the offer or sale by any other offeror of Instruments.

**Offer Price:** The offer price per Instrument may either (a) be specified in the applicable Final Terms or (b) if the applicable Final Terms so specify, be determined on the basis of the prevailing market conditions on or around the date specified in the applicable Final Terms in which event it will not be greater than the maximum price specified in the applicable Final Terms and will be published in accordance with Article 8 of the Prospectus Directive.

**Right to Cancel:** The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) (a) the occurrence of any circumstance which, in the Issuer's opinion, may have a significant impact on the issue; (b) if a participation percentage applies, such percentage being less than the minimum participation percentage specified in the applicable Final Terms; or (c) the number of Instruments in respect of which offers are received is (or is determined by the Issuer or the relevant Distributor(s) to be likely to be) less than the number specified in the applicable Final Terms. The offers will be subject to the above provisions. In case of cancellation, the Issuer (or such other offeror specified in the applicable Final Terms) will repay the purchase price and any commission paid by any purchaser without interest.

**Publication of a Supplement:** If the Issuer publishes a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Instruments, investors who have already agreed to purchase Instruments before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Instruments and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

## TAXATION

The following comments are of a general nature, are based on the Issuer's understanding of current law and practice and are included in this document solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of an Instrument will depend for each issue on the terms of the Instrument, as specified in the Conditions and the Product Conditions as amended and supplemented by the applicable Final Terms under the law and practice at the relevant time. Prospective holders of Instruments should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Instruments.

### UNITED KINGDOM TAXATION

The following describes certain general United Kingdom tax consequences arising from acquiring, holding and disposing of Exercisable Certificates (which term shall, for the purposes of this tax summary, include Warrants) and Redeemable Certificates which fall into certain categories for tax purposes. Prospective purchasers of particular Exercisable Certificates and Redeemable Certificates should obtain professional advice in order to determine which, if any, of these categories those Exercisable Certificates or Redeemable Certificates fall into. The following relates only to the position of individuals who are the beneficial owners of Exercisable Certificates or Redeemable Certificates and who are resident and domiciled in the United Kingdom for tax purposes and is based on current United Kingdom tax law and HM Revenue & Customs (**HMRC**) practice; some aspects do not apply to certain classes of person (such as persons carrying on a trade of dealing in Exercisable Certificates or Redeemable Certificates and persons connected with the Issuer) to whom special rules may apply. Prospective purchasers who are companies (or unit trusts or open-ended investment companies) and any investor who may be unsure as to their tax position should seek their own professional advice.

#### Exercisable Certificates

The following summary applies only to Exercisable Certificates which do not carry a right to the payment of a Coupon. It is anticipated that any Exercisable Certificates which carry such a right are likely to be treated for United Kingdom tax purposes as Redeemable Certificates and, on this basis, holders of such Exercisable Certificates should refer to the tax treatment summary in respect of Redeemable Certificates set out below.

#### Withholding Tax

No United Kingdom income tax should be required to be deducted or withheld from any payments made on the Exercisable Certificates.

#### Taxation of Profits and Gains

##### (i) United Kingdom resident individuals

Gains arising to an individual as a result of acquiring then exercising or otherwise disposing of a "qualifying option" are generally, subject to the discussion at (ii) below ("Guaranteed Returns"), charged to tax under the capital gains tax rules in the Taxation of Chargeable Gains Act 1992 (**TCGA 1992**). Options which are listed on a recognised stock exchange are qualifying options and the London Stock Exchange is recognised for these purposes.

Exercisable Certificates which are admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange and which can be regarded as options (though it should be noted that Exercisable Certificates may not be considered to be options including where "Automatic Exercise: No delivery of Exercise Notice" is specified as applying in the applicable Final Terms) should generally be treated as "qualifying options" (**Qualifying Exercisable Certificates**). Therefore, an individual holding such a Qualifying Exercisable

Certificate should be charged to tax on any gain made on the disposal of the Qualifying Exercisable Certificate under the capital gains tax rules in TCGA 1992. This means that such a holder should, on the disposal of a Qualifying Exercisable Certificate, be entitled to make a tax free gain in any tax year equal to the annual exempt amount (which is £10,600 for the tax year 2011-12), assuming the annual exemption has not been utilised in relation to another gain in the same tax year.

Accordingly, on the disposal of a Qualifying Exercisable Certificate by sale, the holder should, subject to the availability of the annual exempt amount (see above), be charged to capital gains tax on the gain arising on the disposal, calculated by comparing the amount received on disposal with the base cost.

In the case of a Qualifying Exercisable Certificate which is settled by physical delivery, the acquisition of the Qualifying Exercisable Certificate and the acquisition of a new asset on the exercise of such a Qualifying Exercisable Certificate is treated as a single transaction for capital gains purposes, so that the amount paid for the Qualifying Exercisable Certificate plus the amount paid for the new asset constitutes the base cost for the new asset. The exercise of such a Qualifying Exercisable Certificate is not treated as a disposal of the Qualifying Exercisable Certificate. Accordingly, no charge to capital gains tax will arise on the exercise of such a Qualifying Exercisable Certificate. However, a disposal of the new asset acquired on the exercise of such a Qualifying Exercisable Certificate may give rise to a charge to capital gains tax, if a gain arises on that disposal.

In the case of a Qualifying Exercisable Certificate which is settled by way of a cash payment, the exercise of the Qualifying Exercisable Certificate will be treated as a disposal. The cash amount received on the exercise will be treated as the consideration for the disposal. The amount paid for a Qualifying Exercisable Certificate plus any amount paid on exercise will be treated as the base cost for the purposes of calculating any capital gain arising on the exercise of the Qualifying Exercisable Certificate.

An Exercisable Certificate that is not a Qualifying Exercisable Certificate may be regarded as a "financial future" for the purposes of the capital gains tax rules in TCGA 1992. Accordingly, on the disposal of such an Exercisable Certificate, the holder should, subject to the availability of the annual exempt amount (see above), be charged to capital gains tax on the gain arising on the disposal, calculated by comparing the amount received on disposal with the base cost. The amount paid for such an Exercisable Certificate plus any amount paid on exercise will constitute the base cost for these purposes.

In any other case the tax treatment of an Exercisable Certificate will depend on its precise terms as specified in the applicable Final Terms.

(ii) Guaranteed Returns

Any Exercisable Certificate which is (either alone or taken together with other related transactions) designed to produce a guaranteed return equivalent to money invested at interest will not be taxed in accordance with the rules described above. Any profit or gain arising in relation to such an Exercisable Certificate will be charged to tax as income under Chapter 12 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (**ITTOIA 2005**), without the benefit of the annual exempt amount.

(iii) Individual Savings Account (ISA), Self-invested Personal Pension Schemes (SIPPS) and Small Self-administered Schemes (SSAS).

Exercisable Certificates will not qualify for inclusion within the stocks and shares component of an ISA.

Exercisable Certificates should generally be capable of being held within a SIPPS or SSAS. However holders should obtain independent advice in relation to the tax treatment of any Exercisable Certificates held within such a SIPPS or SSAS.

#### *Stamp Duty and Stamp Duty Reserve Tax (SDRT)*

On the basis of the Issuer's understanding of current unpublished HMRC practice, cash settled warrants in a form similar to the Exercisable Certificates should not generally be stampable on issue. Accordingly, the grant of an Exercisable Certificate which is a Cash Settled Instrument (a **Cash Settled Exercisable Certificate**) should not be stampable.

Although the issue is not free from doubt United Kingdom stamp duty may be payable on an instrument which constitutes certain types of Exercisable Certificates which are Physical Delivery Instruments (each a **Physical Delivery Exercisable Certificate**). However, if any such instrument is executed and retained outside the United Kingdom, such stamp duty may potentially be indefinitely deferred, although such an unstamped document will not be admissible in evidence in court or arbitration proceedings in the United Kingdom.

No United Kingdom stamp duty should be required to be paid on the sale of any Exercisable Certificates provided no instrument of transfer is used in order to complete the sale.

No SDRT will generally be payable on the issue into CREST of any Exercisable Certificate.

No SDRT will generally be payable on the issue into Euroclear (which term shall, for the purposes of this tax summary, include Euroclear Sweden AB), Clearstream, Luxembourg or VPS of any Cash Settled Exercisable Certificate.

No SDRT will generally be payable in relation to the issue into Euroclear, Clearstream, Luxembourg or VPS of a Physical Delivery Exercisable Certificate which does not give the holder an interest in, rights arising out of, or the right to acquire stock, shares or loan capital.

SDRT will generally be payable under current law in relation to the issue into Euroclear, Clearstream, Luxembourg or VPS of a Physical Delivery Exercisable Certificate which gives the holder an interest in, rights arising out of, or the right on exercise to acquire stock, shares or loan capital unless such stock, shares or loan capital qualify as "exempt securities". SDRT would be payable at 1.5 per cent. of the issue price. SDRT will generally not be payable under current law in relation to an agreement to transfer such Physical Delivery Exercisable Certificates within Euroclear, Clearstream, Luxembourg or VPS provided no election has been made under which the alternative system of charge (as provided for in section 97A Finance Act 1986) applies to the Physical Delivery Exercisable Certificates. It is not clear the extent to which the decision of the ECJ in *HSBC Holdings plc and Vidacos Nominees Ltd v HMRC* (Case C-569/07) discussed further below applies to Physical Delivery Exercisable Certificates or the way in which any change in legislation or HMRC practice in response to this decision may alter the position outlined above.

SDRT will generally be payable in relation to an agreement to transfer a Physical Delivery Exercisable Certificate held within CREST which gives the holder an interest in, rights arising out of, or the right on exercise to acquire stock, shares or loan capital unless such stock, shares or loan capital qualify as "exempt securities". SDRT would be payable at 0.5 per cent. of the consideration given under an agreement to transfer any such Physical Delivery Exercisable Certificates.

No SDRT will generally be payable in relation to any agreement to transfer Cash Settled Exercisable Certificates or Physical Delivery Exercisable Certificates which do not give the holder an interest in, rights arising out of, or the right to acquire stock, shares or loan capital.

United Kingdom stamp duty or SDRT may be required to be paid in relation to the transfer of an asset (such as stock or marketable securities) following the exercise of a Physical Delivery Exercisable

Certificate. However, any such liability to SDRT will be cancelled (or, if already paid, will be repayable) if an instrument effecting the transfer is executed, which is duly stamped or is not chargeable with stamp duty or otherwise required to be stamped, within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

## **Redeemable Certificates**

### *Withholding Tax*

The following analysis applies to Redeemable Certificates which carry a right to the payment of interest and/or are redeemed at a premium, any amount of which is deemed to constitute a payment of interest. The right to the payment of a Coupon is likely to be regarded as interest for these purposes.

Redeemable Certificates which are and continue to be listed on a recognised stock exchange, within the meaning of section 1005 of the Income Tax Act 2007, should constitute "quoted Eurobonds" and payments of interest by the Issuer on such Redeemable Certificates may be made without withholding or deduction for or on account of United Kingdom tax. The London Stock Exchange is a recognised stock exchange for these purposes and Redeemable Certificates will be treated as listed on the London Stock Exchange if they are included in the Official List by the UK Listing Authority and are admitted to trading on the London Stock Exchange.

In all other cases, interest will generally be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) subject to the availability of other reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

### *Taxation of Profits and Gains*

#### (i) United Kingdom resident individuals

Redeemable Certificates may fall to be treated as "qualifying corporate bonds" either because they constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of ITTOIA 2005 or, where they do not constitute deeply discounted securities, because they otherwise fulfil the conditions to be treated as qualifying corporate bonds pursuant to section 117 TCGA 1992.

A Redeemable Certificate will be treated as a deeply discounted security for the purposes of Chapter 8 of Part 4 of ITTOIA 2005 where the issue price is or could be less than the sum payable on redemption and the amount by which it is or could be less (expressing the difference between the issue price and the Cash Settlement Amount as a percentage of the Cash Settlement Amount) is greater than the percentage figure equal to one half the number of years between the issue date and the Redemption Date, where this is less than thirty years, or 15 per cent. in other cases. Where a Redeemable Certificate falls to be treated as a deeply discounted security, profits and gains arising from disposing of the Redeemable Certificate prior to the Redemption Date, or from holding the Redeemable Certificate to the Redemption Date, will be charged to tax as income, without the benefit of the annual exempt amount referred to in respect of Qualifying Exercisable Certificates above. No relief from income tax is available in respect of any loss suffered on the disposal or redemption of a Redeemable Certificate which is a deeply discounted security.

Where a Redeemable Certificate qualifies as a deeply discounted security for the purposes of Chapter 8 of Part 4 of ITTOIA 2005 and is extinguished by delivery of shares in a company or any other securities, the delivery is deemed to involve a payment on redemption of an amount equal to whatever, at the time of delivery, is the market value of the shares or other securities delivered. In such a situation, the amount by which any such deemed payment exceeded the amount paid by the Redeemable Certificate holder to acquire the Redeemable Certificate would be subject to tax as income, without the benefit of the annual exempt amount. The acquisition cost of the shares or

other securities will be their market value at the time of delivery for the purposes of computing any future capital gain or loss.

Where a Redeemable Certificate is not a deeply discounted security or an "excluded indexed security" (as described below) and is expressed in sterling with no provision for conversion into, or redemption in, a currency other than sterling, it may be a qualifying corporate bond if, on the basis of its Final Terms, it satisfies the conditions set out in section 117 TCGA 1992. On a disposal of a Redeemable Certificate which is not a deeply discounted security but which is a qualifying corporate bond, no chargeable gain or allowable loss will arise for the purposes of capital gains tax.

Where a Redeemable Certificate qualifies as an "excluded indexed security" it will not be treated as a deeply discounted security or a qualifying corporate bond and will be subject to capital gains tax as discussed further below. An excluded indexed security is, in broad terms, a security which provides that the holder is entitled to receive at redemption an amount equal to the amount subscribed for the security multiplied by any increase or decrease in the value of a specified asset (expressed as a percentage) over the life of the security. The specified asset must be the kind of asset that if held by an individual is generally taxed under the capital gains tax rules, including a Qualifying Exercisable Certificate. An excluded indexed security can provide for a minimum amount to be payable at redemption provided this does not exceed 10 per cent. of the amount paid on the issue of the security.

A Redeemable Certificate, which is not a deeply discounted security and does not otherwise fall to be treated as a qualifying corporate bond, including a Redeemable Certificate which is treated as an excluded indexed security, should be a chargeable asset for the purposes of capital gains tax such that any gain arising on disposal prior to the Redemption Date, or at the Redemption Date, would be charged to tax as a capital gain under TCGA 1992, with the benefit of the annual exempt amount (to the extent not already utilised).

Where a Redeemable Certificate is a chargeable asset for the purposes of capital gains tax and is denominated in a currency other than sterling, the normal rule is that, in calculating any gain or loss on disposal of that Redeemable Certificate, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Redeemable Certificate.

Except where a Redeemable Certificate is treated as a deeply discounted security, any accrued interest at the date of disposal will be taxed under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

(ii) ISA, SIPPS and SSAS

A Redeemable Certificate may, depending on its terms, be eligible to be held within the stocks and shares component of an ISA, provided it is listed on a recognised stock exchange and at the date when such Redeemable Certificate is first held under the account, the terms on which it was issued do not require the Redeemable Certificate to be re-purchased or redeemed or allow the holder to require it to be re-purchased or redeemed (except in circumstances which are neither certain nor likely to occur) within the period of five years from that date.

UK tax resident Redeemable Certificate holders who acquire their investment in Redeemable Certificates through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations 1998 (UK Statutory Instruments 1998 No. 1870), will not be subject to either UK income tax or UK capital gains tax on income and gains realised from their investment and any losses on their investment will be disregarded for the purposes of UK capital gains tax.

Redeemable Certificates should generally be capable of being held within a SIPPS or SSAS. However holders of Redeemable Certificates should obtain independent advice in relation to the tax treatment of Redeemable Certificates held within any such SIPPS or SSAS.

#### *Provision of Information*

Holders of Redeemable Certificates who are individuals may wish to note that in certain circumstances, HMRC has power to obtain information from any person in the United Kingdom who pays interest on Redeemable Certificates or other amounts payable on the redemption of Redeemable Certificates which are deeply discounted securities for the purposes of Chapter 8 of Part 4 of ITTOIA 2005 to (or receives interest or such other amounts for the benefit of) another person who is an individual. Such information may include the name and address of the beneficial owner of the interest or amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the holder of the Redeemable Certificate is resident for tax purposes. However, HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on redemption of Redeemable Certificates which are deeply discounted securities where such amounts are paid or received on or before 5 April 2012.

#### *Stamp Duty and SDRT*

No United Kingdom stamp duty will be payable in relation to the issue of Redeemable Certificates which are Cash Settled Instruments (**Cash Settled Redeemable Certificates**) or Redeemable Certificates which are Physical Delivery Instruments (**Physical Delivery Redeemable Certificates**). No United Kingdom stamp duty will be payable on transfers of Redeemable Certificates on sale provided no instruments of transfer are used to complete such sales. No United Kingdom stamp duty will be payable in relation to the redemption of a Redeemable Certificate settled by way of a cash payment. United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on redemption of a Redeemable Certificate settled by way of physical delivery.

No SDRT will be payable in relation to the issue into CREST of Redeemable Certificates or the redemption of Cash Settled Redeemable Certificates.

No SDRT will be payable in relation to the issue into Euroclear, Clearstream, Luxembourg or VPS of Cash Settled Redeemable Certificates or in relation to agreements to transfer Cash Settled Redeemable Certificates held within CREST where such Cash Settled Redeemable Certificates: (i) qualify as loan capital; (ii) do not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise); (iii) have not carried and do not carry a right to interest the amount of which exceeds a reasonable commercial return on their nominal amount or which falls or has fallen to be determined by reference to the results of, or any part of, a business or to the value of any property; and (iv) have not carried and do not carry a right on repayment to an amount which exceeds their nominal amount and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange.

Applying the reasoning of the ECJ in the case of *HSBC Holdings plc and Vidacos Nominees Ltd v HMRC* (Case C-569/07), SDRT should not be payable in relation to the issue into Euroclear or Clearstream, Luxembourg of Redeemable Certificates which qualify as loan capital but carry rights to acquire other shares or securities (by way of exchange, conversion or otherwise) that are not "exempt securities", carry or have carried a right to interest the amount of which exceeds a reasonable commercial return on their nominal amount or which falls or has fallen to be determined by reference to the results of, or any part of, a business or to the value of any property or rights to a premium not reasonably comparable with amounts payable on securities listed in the Official List of the London Stock Exchange. However, it is possible that HMRC may dispute whether the ECJ's reasoning should be applied in relation to Redeemable Certificates. The position is less clear in relation to the issue of Redeemable Certificates

into VPS, as Norway is not a member of the European Union. Further, it is possible that the United Kingdom stamp duty and/or SDRT regime may be amended.

It is possible that certain Redeemable Certificates may not constitute loan capital but may give the holder an interest in, rights arising out of, or the right to acquire stock, shares or loan capital. In these circumstances, SDRT would be payable in relation to the issue into Euroclear, Clearstream, Luxembourg or VPS of such Redeemable Certificates at the rate of 1.5 per cent. of the consideration given for the issue.

SDRT will generally not be payable under current law in relation to agreements to transfer Redeemable Certificates held within Euroclear, Clearstream, Luxembourg or VPS, provided no election has been made under which the alternative system of charge (as provided for in section 97A Finance Act 1986) applies to the Redeemable Certificates.

SDRT will generally be payable in relation to agreements to transfer Redeemable Certificates held within CREST which carry rights to acquire other shares or securities (by way of exchange, conversion or otherwise) that are not "exempt securities", carry or have carried a right to interest the amount of which exceeds a reasonable commercial return on their nominal amount or which falls or has fallen to be determined by reference to the results of, or any part of, a business or to the value of any property or rights to a premium not reasonably comparable with amounts payable on securities listed in the Official List of the London Stock Exchange. SDRT would be payable at 0.5 per cent. of the consideration given under an agreement to transfer such Redeemable Certificates.

In addition, SDRT may be payable (possibly at the time of issue) by a Redeemable Certificate holder in respect of any agreement to transfer an asset pursuant to a Physical Delivery Redeemable Certificate. However, any such liability to SDRT will be cancelled (or if already paid will be repayable) if an instrument effecting the transfer is executed, which is duly stamped or is not chargeable with stamp duty or otherwise required to be stamped, within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

## **IRISH TAXATION**

The following describes certain general Irish tax consequences arising from acquiring, holding and disposing of Exercisable Certificates (which term shall, for the purposes of this tax summary, not include Warrants) and Redeemable Certificates only. Prospective purchasers of particular Instruments should obtain professional advice in order to determine the appropriate tax treatment. The correct tax treatment will be dependent upon on the precise terms of the applicable Final Terms and Conditions. The following relates to the position of individuals who are the beneficial owners of the Instruments and who are resident and/or ordinarily resident in Ireland. Persons who are non-Irish domiciled should take specific tax advice. The following refers to current Irish tax law and Irish Revenue Commissioners' practice. Some aspects do not apply to certain classes of person (such as a person who holds the Instruments as part of a trade of dealing in securities).

### **Exercisable Certificates**

The Exercisable Certificates should not be construed as debt instruments for Irish tax purposes on the assumption that they do not carry a coupon entitlement.

On the assumption that the Exercisable Certificates do not carry a coupon entitlement and are held as an investment (and not as trading stock), any gain realised by an Instrumentholder on a disposal of an Exercisable Certificate (i.e. the excess, if any, of the euro equivalent of the disposal proceeds over the euro equivalent of the consideration paid for the Exercisable Certificate and certain incidental costs of acquisition and disposal) should be liable to capital gains tax (currently at rate of 25%).

Generally, the Instrumentholder should, on the disposal of the Exercisable Certificate, be entitled to make a tax free gain in any tax year equal to the annual exempt amount (which is €1,270 for the tax year 2011), provided the annual exemption has not been otherwise utilised.

The above summary applies only to Exercisable Certificates which do not carry a coupon entitlement. It is anticipated that any Exercisable Certificates which carry such an entitlement are likely to be treated for Irish tax purposes as Redeemable Certificates and, on this basis, holders of such Exercisable Certificates should refer to the tax treatment summary in respect of Redeemable Certificates set out below.

### **Redeemable Certificates**

It is likely that the Redeemable Certificates would be construed as debt instruments for Irish tax purposes. On that basis, it is likely that profits and gains arising from the disposal of a Redeemable Certificate prior to the Redemption Date, or from holding the Redeemable Certificate to the Redemption Date, will be liable to Irish income tax at the Instrumentholder's marginal income tax rate and to the Universal Social Charge (**USC**) which came into effect on 1 January 2011. The USC effectively merges the income levy and the health levy, both of which have been abolished. Certain Instrumentholders may also be liable to Pay Related Social Insurance (**PRSI**).

In the event that the Redeemable Certificates carry a coupon entitlement, the income arising should be liable to Irish income tax at the Instrumentholder's marginal income tax rate and to the USC. Certain Instrumentholders may also be liable to PRSI.

### **SWEDISH TAXATION**

There is currently no Swedish withholding tax (Sw. källskatt) applicable on payments made by the Issuer in respect of the Warrants. Sweden operates a system of preliminary tax (Sw. preliminärskatt) to secure payment of taxes. In the context of the Instruments a preliminary tax of 30% will be deducted from all payments of interest (if any) made to any individuals, or estates, that are resident in Sweden for tax purposes. The preliminary income tax is normally deducted from such payments by the Swedish Central Securities Depository or a participant authorised to act as a nominee in the clearing system. Depending on the relevant holder's overall tax liability for the relevant fiscal year, the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability, with any balance subsequently to be paid by or to the relevant holder, as applicable.

### **EU SAVINGS DIRECTIVE**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States of the European Union (the **EU**) are required to provide to the tax authorities of other Member States of the EU details of payments of interest (or similar income) paid by a person to an individual or to certain other persons in another Member State of the EU. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have agreed to adopt similar measures. The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Manager or Offeror, so far as the Issuer is aware, no person involved in the issue of Instruments has an interest material to the issue.

## FORM OF FINAL TERMS

*The Final Terms relating to each issue of Instruments may contain (without limitation) such of the following information as is applicable in respect of such Instruments. Any information which is not applicable will be deleted.*

[Date]

**The Royal Bank of Scotland plc**

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

**[number] [underlying] [type of product] [Exercisable Certificates/Warrants][[Redeemable  
Certificates]**

**[Indicative] Issue Price: [•][•]**

**under the Certificate and Warrant Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the base prospectus relating to Exercisable Certificates/Warrants and Redeemable Certificates dated 1 April 2011 (the **Base Prospectus**) as supplemented as at the date hereof, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of each Series of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer and each Series of the Instruments described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and each supplementary prospectus are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and copies may be obtained, free of charge, during normal business hours from the registered office of the Issuer and from the specified offices of each of the Certificate and Warrants Agents.

The terms and conditions applicable to the Instruments are (1) the terms and conditions (the **Conditions**) set out in the prospectus dated 23 September 2010 relating to the Issuer's Certificate and Warrant Programme (the **Programme Prospectus**) and (2) the terms and conditions (the **Product Conditions**) set out in the [Base Prospectus]/[the base prospectus relating to Exercisable Certificates/Warrants and Redeemable Certificates dated 1 April 2010 (the **Original Base Prospectus**)] (which incorporates by reference the provisions referred to in (1) above), as completed by these Final Terms. References to the Base Prospectus[, the Original Base Prospectus ]and the Programme Prospectus are to them as supplemented at the date of these Final Terms.

In the event of any inconsistency between these Final Terms and the Conditions and/or the Product Conditions, these Final Terms will govern.

So far as the Issuer is aware, no person (other than the Issuer in its separate capacities as Issuer and, if applicable, Calculation Agent, involved in the issue of the Instruments has an interest material to the offer.) [N.B. Amend as appropriate if there are interests.]

## PART A – CONTRACTUAL TERMS

*NB The following provisions shall apply to (and the relevant pro forma Final Terms set out below should be used in relation to) any issue of Instruments which incorporates the Product Conditions set out in the Base Prospectus.*

*For any issue of Instruments which incorporates the Product Conditions set out in the Original Base Prospectus, the relevant provisions of the section headed “Form of Final Terms” contained in the Original Base Prospectus should be used.*

Clearing Agents:	[Euroclear Bank S.A./N.V.] [Clearstream Banking, société anonyme] [Euroclear UK and Ireland Limited] [Euroclear Sweden AB] [Verdipapirsentralen ASA (VPS)] [Other]
Launch Date:	[•]
As, if and when issued trading:	[•] [Not Applicable]
Issue Date:	[•]
Listing:	[•]
Listing Date:	[•]
Admission to trading:	[Application has been made for the Instruments to be admitted to trading on [the regulated market of the London Stock Exchange] [specify other regulated market] with effect from [•].] [No application for admission to trading has been made.]
Calculation Agent:	[•] [N.B. Only applicable if The Royal Bank of Scotland plc is not the Calculation Agent.]
Additional Provisions:	If the Issuer applies for the Instruments to be admitted to the Official List of an EU Member State and/or admitted to trading on a regulated market at any time following the end of the offer period for the Instruments, the Issuer shall be entitled to amend these Final Terms (without the consent of any Instrumentholder) so as to provide that references to the Base Prospectus (the <b>Existing Prospectus</b> ) shall be read as references to the Base Prospectus as supplemented, amended, updated and/or replaced as at the date of application for admission to the Official List and/or trading (save that the terms and conditions applicable to the Instruments shall be those contained in the Existing Prospectus).

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## COMMODITY INSTRUMENTS

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Series: *[Commodity] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [●]*  
 Issue Price: *[●]*  
 Number of [Certificates][Warrants] being issued: *[●]*  
 Nominal Amount: *[The Issue Price per Instrument][specify other]*  
 Additional Market Disruption Events: *[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]*  
 Automatic Exercise: *[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]*  
 Cash Amount: *[Cash Amount =  $N + N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]*

EITHER: 
$$\left[ \left[ \text{Basket Return} = \sum_{i=1}^n \text{Underlying Return}_i \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

EITHER: 
$$\text{Underlying Return}_i = \left[ \left( \frac{F_i - I_i}{I_i} \times W_i \times \text{Leverage}_i \right) \right]$$

OR: 
$$\text{Underlying Return}_i = \left[ \left( \frac{I_i - F_i}{I_i} \times W_i \times \text{Leverage}_i \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

$[F_i]$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

$[F_i]$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

$[F_i]$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying $_i$  on the first day on which such Level is (at or) [above] [below] Barrier Level $_i$ ]

[REPEAT FOR  $I_i$ ]

[Underlying $_i$  shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•][to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))]

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (*describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s)*)

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (*Delete this section in its entirety if Coupon is specified to be Not Applicable*)

Interest Basis:	[●] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate] [specify other]
Fixed Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) [Calculation Amount:]	[●]( <i>If Nominal Amount used, delete this paragraph</i> )  ( <i>Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances</i> )
(ii) [Nominal Amount:]	[●]( <i>If Calculation Amount used, delete this paragraph</i> )
(iii) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]
(iv) Interest Commencement Date:	[●]
(v) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]

(vi) Business Day Centre(s):	[•] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:]	[•] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [•]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [•]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [•]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

(xii) Margin(s): [+/-][•] per cent. per annum

(xiii) Minimum Rate of Interest: [•] per cent. per annum

(xiv) Maximum Rate of Interest: [•] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [•]

*THE FOLLOWING “ISSUER CALL” PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY*

Issuer Call:	[Applicable] [Not Applicable] ( <i>if Not Applicable, delete the following 3 rows</i> )
Issuer Call Cash Amount:	[Not Applicable] [ <i>specify</i> ] [ <i>specify formula</i> ]
Issuer Call Commencement Date:	[Not Applicable] [ <i>specify</i> ]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [ <i>specify other</i> ]
Cash Settled Instruments:	Applicable
Commodity:	[Gold][Platinum][Silver][ <i>Other - specify</i> ]
[Reuters Page][Bloomberg Page]:	[ <i>specify</i> ]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[•][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [ <i>specify other</i> ]
Integral Multiple:	[•]
Minimum Exercise Number:	[•][Not Applicable]
Maximum Exercise Number:	[•][Not Applicable]
Settlement Currency:	[•]
Fixed Exchange Rate:	[Applicable: [ <i>insert rate</i> ]][Not Applicable]
Relevant Currency:	[The Settlement Currency]/[ <i>Other - specify</i> ]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]] [ <i>Other-specify</i> ]
Strike Currency:	[•]
Strike Price:	[•]
Valuation Date(s):	[As stated in Product Condition 4][ <i>Other - specify</i> ]
Valuation Time:	[The time of the London [morning] <sup>1</sup> [daily] <sup>2</sup> fixing price for the Commodity][ <i>Other - specify</i> ]
Amendments to Conditions and/or Product Conditions:	[•] <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to

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<sup>1</sup> For Gold and Platinum

<sup>2</sup> For Silver

be) less than the number or amount expected by the Issuer.][*Other – specify*]

ISIN: [•]

SEDOL: [•]

Other Securities Code: [•]

Clearing through Euroclear Sweden [Applicable][*delete row if not applicable*]

AB:

Clearing through VPS: [Applicable][*delete row if not applicable*]

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## COMMODITY FORWARD CONTRACTS AND COMMODITY FUTURES CONTRACTS INSTRUMENTS

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Series: [Commodity Futures] [Commodity Forward] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]  
 Issue Price: [•]  
 Number of [Certificates][Warrants] being issued: [•]  
 Nominal Amount: [The Issue Price per Instrument][specify other]  
 Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]  
 Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]  
 Cash Amount: [Cash Amount =  $N \times P \times \text{Basket Return} \times \frac{FX_f}{FX_i}$ ]

EITHER: 
$$\text{Basket Return} = \sum_{i=1}^n \text{Underlying Return}_i$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

EITHER: 
$$\text{Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

OR: 
$$\text{Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying $_i$  on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying $_i$  on the first day on which such Level is (at or) [above] [below] Barrier Level $_i$

[REPEAT FOR  $I_i$ ]

[Underlying $_i$  shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon: [Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))]

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis: [[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

[●](If Nominal Amount used, delete this paragraph)

(ii) [Nominal Amount:]

[●](If Calculation Amount used, delete this paragraph)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount]: <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●]
(ii) [Nominal Amount]:	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the	[●]

Principal Certificate and Warrant Agent or the Registrar, as the case may be):

(x) Screen Rate Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
– Reference Rate: [●]  
(Either LIBOR, EURIBOR or other, although additional information is required if other)  
– Interest Determination Date(s): [●]  
(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)  
– Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
– Floating Rate Option: [●]  
– Designated Maturity: [●]  
– Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
specify other]  
(See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from [●]

those set out in the Conditions:

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Reference Asset:	[•]
[Reuters Page][Bloomberg Page]:	[•]
Exchange:	[•]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[•] [Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[•]
Maximum Exercise Number:	[•][Not Applicable]
Minimum Exercise Number:	[•][Not Applicable]
Settlement Currency:	[•]
Fixed Exchange Rate:	[Applicable: [insert rate]] [Not Applicable]
Limit-up:	[Applicable][Not Applicable]
Limit-down:	[Applicable][Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]] [Other-specify]
Strike Currency:	[•]
Strike Price:	[•]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Valuation Time:	[The close of trading on the Exchange] [Other - specify]
Amendments to Conditions and/or Product Conditions:	[•] <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed

“Cash Amount” above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][*Other-specify* ]

ISIN:	[•]
SEDOL:	[•]
Other Securities Code:	[•]
Clearing through Euroclear Sweden AB:	[Applicable][ <i>delete row if not applicable</i> ]
Clearing through VPS:	[Applicable][ <i>delete row if not applicable</i> ]

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## CURRENCY INSTRUMENTS

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Series: [Currency] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]  
 Issue Price: [•]  
 Number of [Certificates][Warrants] being issued: [•]  
 Nominal Amount: [The Issue Price per Instrument][specify other]  
 Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]  
 Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]  
 Cash Amount: [Cash Amount =  $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>]

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

*\*if Applicable, EITHER*

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (*Delete this section in its entirety if Coupon is specified to be Not Applicable*)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●](*If Nominal Amount used, delete this paragraph*)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[●](*If Calculation Amount used, delete this paragraph*)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give

	details)]/not adjusted]
(vi) Business Day Centre(s):	[•] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:]	[•] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call: [Applicable] [Not Applicable] (if Not Applicable, delete the

	<i>following 3 rows</i>
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Underlying FX Rate:	[•]
Relevant Screen Page:	[•]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[•][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[•] [Screen Page: Reuters Page EURO FX/1][As stated in Product Condition 4]
Integral Multiple:	[•]
Minimum Exercise Number:	[•][Not Applicable]
Maximum Exercise Number:	[•][Not Applicable]
Settlement Currency:	[•]
Fixed Exchange Rate:	[Applicable: <i>[insert rate]</i> ][Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]][Other-specify]
Strike Currency:	[•]
Strike Price:	[•]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Valuation Time:	[specify]
Amendments to Conditions and/or Product Conditions:	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other-specify ]
ISIN:	[•]
SEDOL:	[•]

Other Securities Code: [•]  
Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]  
Clearing through VPS: [Applicable][*delete row if not applicable*]

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## FUND INSTRUMENTS

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Series:	[Fund] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount:	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>]

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at [specify relevant time]]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

*\*if Applicable, EITHER*

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (*describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s)*)

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (*Delete this section in its entirety if Coupon is specified to be Not Applicable*)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●](*If Nominal Amount used, delete this paragraph*)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[●](*If Calculation Amount used, delete this paragraph*)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give

	details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●]
(ii) [Nominal Amount:]	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[●]

(x) Screen Rate Determination:	[Applicable/Not Applicable]
	(If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Reference Rate:	[•] (Either LIBOR, EURIBOR or other, although additional information is required if other)
– Interest Determination Date(s):	[•] (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
– Relevant Screen Page:	[•] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(xi) ISDA Determination:	[Applicable/Not Applicable]
	(If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Floating Rate Option:	[•]
– Designated Maturity:	[•]
– Reset Date:	[•]
(xii) Margin(s):	[+/-][•] per cent. per annum
(xiii) Minimum Rate of Interest:	[•] per cent. per annum
(xiv) Maximum Rate of Interest:	[•] per cent. per annum
(xv) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA)] Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis specify other] (See <i>Product Condition 12(c) for alternatives</i> )
(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:	[•]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call: [Applicable] [Not Applicable] (if Not Applicable, delete the

	<i>following 3 rows)</i>
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Reference Asset:	[•] (ISIN: [•]; Bloomberg Page: [•])
Trigger Event Termination Amount:	[Cash Settlement Amount]/[Fair market value]/[•]
Replacement Fund:	[Applicable][Not Applicable]
Suspension Asset:	[Applicable][Not Applicable]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[•] [Not Applicable]
European Style:	[Applicable][Not Applicable]
Integral Multiple:	[•]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Minimum Exercise Number:	[•][Not Applicable]
Maximum Exercise Number:	[•][Not Applicable]
Settlement Currency:	[•]
Fixed Exchange Rate:	[Applicable: <i>[insert rate]</i> ][Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]][Other-specify]
Strike Currency:	[•]
Strike Price:	[•]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other-specify]
ISIN:	[•]

SEDOL: [•]  
Other Securities Code: [•]  
Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]  
Clearing through VPS: [Applicable][*delete row if not applicable*]

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## GOVERNMENT BOND INSTRUMENTS

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Series:	[Government Bond] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount:	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][[Change in Law][[Insolvency Filing][Loss of Stock Borrow]]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>]

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

*\*if Applicable, EITHER*

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●](If Nominal Amount used, delete this paragraph)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[●](If Calculation Amount used, delete this paragraph)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give

	details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●]
(ii) [Nominal Amount:]	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[●]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call: [Applicable] [Not Applicable] (if Not Applicable, delete the

	<i>following 3 rows)</i>
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Reference Asset:	[●] (Bloomberg Page: [●])
Bloomberg Page:	[●]
Exchange:	[●]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[●][As stated in Product Condition 4]
Integral Multiple:	[●]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: <i>[insert rate]</i> ][Not Applicable]
Relevant Currency:	[The Settlement Currency]/[Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]][Other-specify]
Strike Currency:	[●]
Strike Price:	[●]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other-specify]
ISIN:	[●]
SEDOL	[●]

Other Securities Code:

[•]

Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]

Clearing through VPS: [Applicable][*delete row if not applicable*]

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## INDEX INSTRUMENTS

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Series:	[Index] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount:	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>]

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other – specify]

Coupon:

[Applicable]\*[Not Applicable]

*\*if Applicable, EITHER*

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●](If Nominal Amount used, delete this paragraph)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[●](If Calculation Amount used, delete this paragraph)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give

	details)]/not adjusted]
(vi) Business Day Centre(s):	[•] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[•]
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call: [Applicable] [Not Applicable] (if Not Applicable, delete the

	<i>following 3 rows)</i>
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Index/Proprietary Index:	[●] (Bloomberg Code: [●])
[Reuters Page][Bloomberg Page]:	[specify]
Exchange:	[●]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[●]
Maximum Exercise Number:	[●][Not Applicable]
Minimum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]] [Not Applicable]
Limit-up:	[Applicable]/[Not Applicable]
Limit-down:	[Applicable]/[Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]] [Other-specify]
Strike Currency:	[●]
Strike Price:	[●]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other-specify ]

ISIN:	[•]
SEDOL:	[•]
Other Securities Code:	[•]
Clearing through Euroclear Sweden AB:	[Applicable][ <i>delete row if not applicable</i> ]
Clearing through VPS:	[Applicable][ <i>delete row if not applicable</i> ]

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## INDEX BASKET INSTRUMENTS

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Series:	[Index Basket] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]		
Issue Price:	[•]		
Number of [Certificates][Warrants] being issued:	[•]		
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]		
Nominal Amount:	[The Issue Price per Instrument][specify other]		
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]		
Basket:			
Indices/Proprietary Indices	Index Name	[Weight]	
[•]	[•]	[•]	[•]
Cash Amount:	[Cash Amount = $N + \sum_i N_i \times P_i \times \frac{FX_f}{FX_i}$ ]		

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_i \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{\sum_i F_i} \times W_i \times \text{Leverage}_i \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{\sum_i I_i} \times W_i \times \text{Leverage}_i \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying, on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>

[REPEAT FOR I<sub>i</sub>]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

FX<sub>f</sub> means [•]

FX<sub>i</sub> means [•]

n means the number of Underlyings or [specify which Underlyings]

N means Nominal Amount

P means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

W<sub>i</sub> means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•][to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of I<sub>i</sub>]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

i	Underlying	W	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]

etc. [•] [•] [•] [•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [•] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent

Strike means [•]

Underlying[s] mean[s] [•]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[•] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[•](If Nominal Amount used, delete this paragraph)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[•](If Calculation Amount used, delete this paragraph)

(iii) Rate[(s)] of Interest:

[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:	[•]
(v) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]
(vi) Business Day Centre(s):	[•] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount: <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[•]
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]

(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be): [●]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See Product Condition 12(c) for alternatives)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method [●]

of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Index/Proprietary Index:	[●] (Bloomberg Code: [●])[To repeat as necessary]
[Reuters Page][Bloomberg Page]:	[specify]
Exchange:	[●]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[●]
Maximum Exercise Number:	[●][Not Applicable]
Minimum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
Limit-up:	[Applicable]/[Not Applicable]
Limit-down:	[Applicable]/[Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date[ or Issuer Call Date]][Other-specify]
Strike Currency:	[●]
Strike Price:	[●]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the

minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][*Other-specify*]

ISIN:	[•]
SEDOL:	[•]
Other Securities Code:	[•]
Clearing through Euroclear Sweden AB:	[Applicable][ <i>delete row if not applicable</i> ]
Clearing through VPS:	[Applicable][ <i>delete row if not applicable</i> ]

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## SINGLE SHARE INSTRUMENTS

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Series:	[Single Stock] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount:	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{I_i} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>]

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

[●](If Nominal Amount used, delete this paragraph)

(ii) [Nominal Amount:]

[●](If Calculation Amount used, delete this paragraph)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give

	details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●]
(ii) [Nominal Amount:]	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[●]

(x) Screen Rate Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
 (Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
 (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
 (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/360  
 30/360 or 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 specify other]  
 (See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	[Applicable][Not Applicable]
Physical Delivery Instruments:	[Applicable][Not Applicable]
Share:	[ordinary] shares of the Share Company (ISIN: [•])
Exchange Traded Fund:	[Applicable][Not Applicable][(further particulars specified below)]
Share Amount:	[•][Not Applicable]
Share Company:	[•]
<b>[Exchange Traded Fund Particulars]:</b> (delete this row and the following 4 rows if Exchange Traded Fund is specified to be "Not Applicable")	
Exchange Traded Fund Business Day Jurisdiction(s):	[•]
Replacement Exchange Traded Fund:	[Applicable][Not Applicable]
Trigger Event Termination Amount:	[Cash Settlement Amount]/[Fair Market Value]/[•]
Suspension Asset:	[Applicable][Not Applicable]]
Entitlement:	[•]
Exchange:	[•]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[•][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[•]
Minimum Exercise Number:	[•][Not Applicable]
Maximum Exercise Number:	[•][Not Applicable]
Settlement Currency:	[•]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final ]Valuation Date][ or Issuer Call Date][Other-specify]
Strike Currency:	[•]
Strike Price:	[•]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]

Amendments to Conditions and/or Product Conditions:	[•] <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]
ISIN:	[•]
SEDOL:	[•]
Other Securities Code:	[•]
Clearing through Euroclear Sweden AB:	[Applicable][delete row if not applicable]
Clearing through VPS:	[Applicable][delete row if not applicable]

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## SHARE BASKET INSTRUMENTS

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Series: [Stock Basket] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]

Issue Price: [•]

Number of [Certificates][Warrants] being issued: [•]

Nominal Amount [The Issue Price per Instrument][specify other]

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions) (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]

Basket:

Shares	Exchange Traded Fund	Basket Company	ISIN	[Share Amount][Weight]
[•]	[Applicable][Not Applicable] [(further particulars specified below)]	[•]	[•]	[•]

**[Exchange Traded Fund Particulars: (delete this row and the following 4 rows if Exchange Traded Fund is specified to be "Not Applicable")]**

Exchange Traded Fund Business Day [•]

Jurisdiction(s):

Replacement Exchange Traded Fund: [Applicable][Not Applicable]

Trigger Event Termination Amount: [Cash Settlement Amount]/[Fair Market Value]/[•]

Suspension Asset: [Applicable][Not Applicable]]

Cash Amount: [Cash Amount =  $N + N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{F_f} \times W_i \times \text{Leverage}_i \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{F_i}{F_{i-1}} \times W_i \times \text{Leverage}_i \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final] Valuation Date]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level<sub>i</sub>

[REPEAT FOR  $I_i$ ]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•][to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

i	Underlying	W	Barrier	Leverage Level
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [•] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent

Strike means [•]

Underlying[s] mean[s] [•]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[•] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[•] (If Nominal Amount used, delete this paragraph)

*(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)*

(ii) [Nominal Amount:] [●] *(If Calculation Amount used, delete this paragraph)*

(iii) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date: [●]

(v) Interest Payment Date(s): [●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]

(vi) Business Day Centre(s): [●]  
(NB: only relevant where Business Day Convention is applicable)

(vii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30E/360 or Eurobond Basis  
Actual/Actual (ICMA)  
specify other]

(viii) Determination Date(s): [●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments: [Not Applicable/give details]

Floating Rate Instrument Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)

(i) [Calculation Amount:] [●]  
*(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)*

(ii) [Nominal Amount:] [●]

(iii) Interest Commencement Date: [●]

(iv) Specified Period(s)/Specified Interest Payment Dates: [●]

(v) First Interest Payment Date: [●]

(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[●]
(x) Screen Rate Determination:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Reference Rate:	[●] (Either LIBOR, EURIBOR or other, although additional information is required if other)
– Interest Determination Date(s):	[●] (Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
– Relevant Screen Page:	[●] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(xi) ISDA Determination:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Floating Rate Option:	
– Designated Maturity:	
– Reset Date:	[●]
(xii) Margin(s):	[+/-][●] per cent. per annum
(xiii) Minimum Rate of Interest:	[●] per cent. per annum
(xiv) Maximum Rate of Interest:	[●] per cent. per annum
(xv) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis]

30E/360 or Eurobond Basis  
specify other]

(See *Product Condition 12(c)* for alternatives)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	[Applicable][Not Applicable]
Physical Delivery Instruments:	[Applicable][Not Applicable]
Entitlement:	[●]
Exchange:	[●]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[●]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final]Valuation Date][or Issuer Call Date][Other-specify]
Relevant Currency:	[The Settlement Currency]/ [Other-specify]
Strike Currency:	[●]
Strike Price:	[●]
Valuation Date(s):	[As stated in Product Condition 4][Other-specify]
Amendments to Conditions and/or Product Conditions:	[●]

(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 Instruments:

[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]

ISIN: [•]□

SEDOL: [•]

Other Securities Code: [•]

Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]

Clearing through VPS: [Applicable][*delete row if not applicable*]

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## INFLATION INDEX INSTRUMENTS

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Series:	[Inflation Index] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]
Cash Amount:	[Cash Amount = [N + ]N x [P x Basket Return [x $\frac{FX_f}{FX_i}$ ]]]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left( \frac{F_i}{F} \times W_i \times \text{Leverage} \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{I_i}{I} \times F_i \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final ]Valuation Month]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level]

[REPEAT FOR  $I_i$ ]

[Underlying $_i$  shall be each of the [●] Underlyings for which the Underlying Return(s) is/are the [●] [highest/lowest values.]

$FX_f$  means [●]

$FX_i$  means [●]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$P$  means a participation percentage [of [●] %/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent.

$W_i$  means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[●] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[●] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [●]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [●] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [●] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[●]	[●]	[●]	[●]
2	[●]	[●]	[●]	[●]
3	[●]	[●]	[●]	[●]
etc.	[●]	[●]	[●]	[●]

[Other - specify]

Coupon: [Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon =  $N \times P \times \min(100\%, \max(FLC / \text{Strike} - 1, 0))$ ]

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (*describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s)*)

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

*[Specify other formula and related provisions]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (*Delete this section in its entirety if Coupon is specified to be Not Applicable*)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●] (*If Nominal Amount used, delete this paragraph*)

*(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)*

(ii) [Nominal Amount:]

[●] (*If Calculation Amount used, delete this paragraph*)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]

(vi) Business Day Centre(s):

[●]

	(NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:]	[•] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]
(x) Screen Rate Determination:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [●]  
(Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [●]  
(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
specify other]  
(See *Product Condition 12(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [●]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call: [Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)

Issuer Call Cash Amount: [Not Applicable] [specify] [specify formula]

Issuer Call Commencement Date: [Not Applicable] [specify]

Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	[Applicable]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Inflation Index:	[Index] published on a [monthly] [other] basis by the [insert Index Sponsor ], as displayed on Bloomberg page: '[●] <Index>' (or such other page as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index) [specify other]
Integral Multiple:	[●]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
Pricing Date(s):	[●] [Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
Relevant Currency:	[The Settlement Currency]/ [Other-specify]
Strike Currency:	[●]
[Settlement Date][Redemption Date]:	The earlier of (a) [●] or (b) the [fifth] Business Day following the calculation and announcement of the Level for [final ]Valuation Month [ or the Issuer Call Date][Other-specify]
Strike Price:	[●] [Not Applicable]
Valuation Date(s):	[●]
Amendments to Conditions and/or Product Conditions:	[●]  <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]
ISIN:	[●]

SEDOL: [•]  
Other Securities Code: [•]  
Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]  
Clearing through VPS: [Applicable][*delete row if not applicable*]

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## CERTIFICATE INSTRUMENTS

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Series:	[Underlying] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

EITHER: 
$$\left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

EITHER: 
$$\text{Underlying Return}_i = \left[ \left( \frac{F_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

OR: 
$$\text{Underlying Return}_i = \left[ \left( \frac{F_i}{F_i} \times W_i \times \text{Leverage} \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $l_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the [final] Valuation Month]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> on each of [SPECIFY DATES]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> on [SPECIFY DATES]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first day on which such Level is (at or) [above] [below] Barrier Level]

[REPEAT FOR  $I_i$ ]

[Underlying $_i$  shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [specify which Underlyings]

$N$  means Nominal Amount

$W_i$  means the weighting of the Underlyings

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [at the Valuation Time/without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs on [SPECIFY DATE(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement Date/[SPECIFY DATE].

OR: [ $F_i$  shall be [•] per cent. of  $I_i$ ]

OR: [OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

$i$	Underlying	$W$	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[Other - specify]

Coupon: [Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon =  $N \times P \times \min(100\%, \max(FLC / \text{Strike} - 1, 0))$ ]

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (*describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s)*)

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

*[Specify other formula and related provisions]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (*Delete this section in its entirety if Coupon is specified to be Not Applicable*)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●] (*If Nominal Amount used, delete this paragraph*)

*(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)*

(ii) [Nominal Amount:]

[●] (*If Calculation Amount used, delete this paragraph*)

(iii) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]

(vi) Business Day Centre(s):

[●]

(NB: only relevant where Business Day Convention is

	applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable]  (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount]:	[•]  <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>
(ii) [Nominal Amount]:	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]
(x) Screen Rate Determination:	[Applicable/Not Applicable]  (If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Reference Rate:	[•]

		(Either LIBOR, EURIBOR or other, although additional information is required if other)
– Interest Date(s):	Determination	[•]
		(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
– Relevant Screen Page:		[•]
		(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(xi) ISDA Determination:		[Applicable/Not Applicable]
		(If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Floating Rate Option:		[•]
– Designated Maturity:		[•]
– Reset Date:		[•]
(xii) Margin(s):		[+/-][•] per cent. per annum
(xiii) Minimum Rate of Interest:		[•] per cent. per annum
(xiv) Maximum Rate of Interest:		[•] per cent. per annum
(xv) Day Count Fraction:		[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis specify other]  (See <i>Product Condition 12(c) for alternatives</i> )
(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:		[•]

*THE FOLLOWING “ISSUER CALL” PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY*

Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]

Cash Settled Instruments:	[Applicable]
Underlying:	[Specify] (ISIN: [•]; Bloomberg Page: [•])
Clearing Agent:	[Specify]
Exchange:	[Specify]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[Specify][Not Applicable]
European Style:	[Applicable][Not Applicable]
Final Reference Price:	[As stated in Product Condition 4] [specify other]
Integral Multiple:	[Specify]
Issue Date:	[Specify]
Launch Date:	[Specify]
Listing Agent:	[Specify]
Minimum Exercise Number:	[Specify][Not Applicable]
Maximum Exercise Number:	[Specify][Not Applicable]
Principal Agent:	[Specify]
Settlement Currency:	[Specify]
Fixed Exchange Rate:	[Applicable: [insert rate]] [Not Applicable]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [final]Valuation Date][or Issuer Call Date][Other-specify]
Strike Currency:	[Specify]
Relevant Currency:	[The Settlement Currency]/ [Other - specify]
Strike Price:	[Specify]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Valuation Time:	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	[Specify]  <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]

ISIN:	[•]
SEDOL:	[•]
Other Securities Code:	[•]
Clearing through Euroclear Sweden AB:	[Applicable][ <i>delete row if not applicable</i> ]
Clearing through VPS:	[Applicable][ <i>delete row if not applicable</i> ]

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## PROPERTY INDEX INSTRUMENTS

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Series:	[Property Index] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]
Issue Price:	[•]
Number of [Certificates][Warrants] being issued:	[•]
Nominal Amount	[The Issue Price per Instrument][specify other]
Additional Market Disruption Events:	[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY)][Not Applicable]
Cash Amount:	[Cash Amount = $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]

$$\text{EITHER: } \left[ \left[ \frac{\text{Basket Return}}{\sum_{i=1}^n \text{Underlying Return}_i} \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

$$\text{EITHER: Underlying Return}_i = \left[ \left[ \frac{F_i}{I_i} \times W_i \times \text{Leverage}_i \right] \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left[ \frac{I_i}{F_i} \times W_i \times \text{Leverage}_i \right] \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $I_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto

[ $F_i$  shall be the Level of Underlying<sub>i</sub> in respect of the final Measurement Period]

[ $F_i$  shall be the average of the Levels of Underlying<sub>i</sub> in respect of each of [SPECIFY FINAL MEASUREMENT PERIODS]

[ $F_i$  shall be the [highest/lowest] Level of Underlying<sub>i</sub> in respect of [SPECIFY MEASUREMENT PERIOD(S)]

[ $F_i$  shall be the Level of Underlying<sub>i</sub> on the first [day / period]

on which such Level is (at or) [above] [below] Barrier Level;  
[REPEAT FOR I<sub>i</sub>]

[Underlying<sub>i</sub> shall be each of the [•] Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

FX<sub>f</sub> means [•]

FX<sub>i</sub> means [•]

n means the number of Underlyings or [specify which Underlyings]

N means Nominal Amount

P means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

W<sub>i</sub> means the weighting of the Underlyings

Barrier Level Event means that [the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] [For range accrual certificates, Barrier Level Event means the number of times the Level of the Underlying/the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [the Barrier Level/its Barrier Level/their respective Barrier Levels] during the period between [•]] [to delete]

If a Barrier Level Event occurs [on [SPECIFY DATE(S)]/[in respect of [SPECIFY MEASUREMENT PERIOD(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement/Redemption Date]/[SPECIFY DATE].

OR: [F<sub>i</sub> shall be [•] per cent. of I<sub>i</sub>]

OR: [SPECIFY OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

i	Underlying (Property Index)	W	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]
3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[specify other]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [●] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]]

OR

[Specify other formula and related provisions]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** (Delete this section in its entirety if Coupon is specified to be Not Applicable)

Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]

[specify other]

Fixed Rate Instrument Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) [Calculation Amount:]

[●] (If Nominal Amount used, delete this paragraph)

(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)

(ii) [Nominal Amount:]

[●] (If Calculation Amount used, delete this paragraph)

(iii) Rate[s] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]

(iv) Interest Commencement Date:

[●]

(v) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]

(vi) Business Day Centre(s):	[•] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[•] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[•]
(ii) [Nominal Amount:]	[•]
(iii) Interest Commencement Date:	[•]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
(v) First Interest Payment Date:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[•]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant Agent or the Registrar, as the case may be):	[•]
(x) Screen Rate Determination:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this

		paragraph)
– Reference Rate:	[•]	(Either LIBOR, EURIBOR or other, although additional information is required if other)
– Interest Determination Date(s):	[•]	(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
– Relevant Screen Page:	[•]	(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(xi) ISDA Determination:	[Applicable/Not Applicable]	(If not applicable, delete the remaining sub-paragraphs of this paragraph)
– Floating Rate Option:	[•]	
– Designated Maturity:	[•]	
– Reset Date:	[•]	
(xii) Margin(s):	[+/-][•]	per cent. per annum
(xiii) Minimum Rate of Interest:	[•]	per cent. per annum
(xiv) Maximum Rate of Interest:	[•]	per cent. per annum
(xv) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis specify other]	(See <i>Product Condition 12(c) for alternatives</i> )
(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:	[•]	
<b><i>THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY</i></b>		
Issuer Call:	[Applicable] [Not Applicable] (if Not Applicable, delete the following 3 rows)	
Issuer Call Cash Amount:	[Not Applicable] [specify] [specify formula]	

Issuer Call Commencement Date:	[Not Applicable] [specify]
Issuer Call Notice Period:	[Not Applicable] [one calendar month] [specify other]
Cash Settled Instruments:	[Applicable]
Property Index:	[specify]
[Reuters Page] [Bloomberg Page] [specify other]:	[specify]
Property Index Sponsor:	[specify]
Final Reference Price:	[As stated in Product Condition 4][specify other]
Measurement Period(s):	[specify]
Publication Cut-off Date:	[specify]
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Integral Multiple:	[●][Not Applicable]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
Relevant Currency:	[The Settlement Currency][specify other]
Strike Currency:	[●]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the calculation and announcement of the Level for the final Measurement Period [or Issuer Call Date]][specify other]
Strike Price:	[●]
Amendments to Conditions and/or Product Conditions:	(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 Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]
ISIN:	[●]

SEDOL: [•]  
Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]  
Clearing through VPS: [Applicable][*delete row if not applicable*]

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## MULTI ASSET BASKET INSTRUMENTS

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Series: *[[Commodity]/[Commodity Forward]/[Currency]/[Fund]/[Government Bond]/[Index Basket]/[Single Stock]/[Stock Basket]/[Inflation Index]/[Underlying]/[Property Index]] linked [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [•]]*

Issue Price: *[•]*

Number of [Certificates][Warrants] being issued: *[•]*

Nominal Amount: *[The Issue Price per Instrument][specify other]*

Additional Market Disruption Events: *[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]*

Automatic Exercise: *[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPL Y)][Not Applicable]*

Cash Amount: *[Cash Amount =  $[N + ]N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}]$ ]*

OR

*[Cash Amount means either:*

(i) if the Final Reference Price is greater than or equal to the Strike Price:

*$[N+] N \times [P \times \text{Basket Return} \times \frac{FX_f}{FX_i}] + \text{Protected Return} - \text{Total Fee}$ ; or*

(ii) if the Final Reference Price is less than the Strike Price, zero.]

EITHER: 
$$\left[ \left[ \text{Basket Return} = \sum_{i=1}^n \text{Underlying Return}_i \right] \right]$$

OR: [Basket Return is the sum of the [SPECIFY RELEVANT Underlying Returns]]

EITHER: 
$$\text{Underlying Return}_i = \left[ \left( \frac{F_i}{F_i} \times W_i \times \text{Leverage}_i \right) \right]$$

$$\text{OR: Underlying Return}_i = \left[ \left( \frac{\frac{F_i}{F_{i-1}} - 1}{L_i} \times W_i \times \text{Leverage}_i \right) \right]$$

save that if a cap, floor or fixed value is specified in relation to CA,  $F_i$ ,  $l_i$  or the Basket Return or the Underlying Return, the relevant value shall be subject to such cap, floor or fixed value in the circumstances specified in relation thereto.

[ $F_i$  shall be the Level of Underlying  $i$  in respect of the [[final] Valuation Date][*specify other*]]

[ $F_i$  shall be the average of the Levels of Underlying $_i$  in respect of each of [SPECIFY DATES/PERIODS]]

[ $F_i$  shall be the [highest/lowest] Level of Underlying $_i$  in respect of [SPECIFY DATE(S)/PERIOD(S)]]

[ $F_i$  shall be the Level of Underlying $_i$  on the first [day / period] on which such Level is (at or) [above] [below] Barrier Level $i$ ]

[REPEAT FOR  $l_i$ ]]

[Underlying $_i$  shall be each of the [•]Underlyings for which the Underlying Return(s) is/are the [•] [highest/lowest values.]

$FX_f$  means [•]

$FX_i$  means [•]

$n$  means the number of Underlyings or [*specify which Underlyings*]]

$N$  means Nominal Amount

$P$  means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [•], subject to a minimum of [•] per cent.

$$[\text{Protected Return means } [N \times \sum_{q=1}^v PRR_q \times \frac{R}{S}]]$$

Where:

$PRR_q$  means the Protected Return Rate for Protected Return Period $_q$  (as specified below);

$q$  has the meaning given in the table below;

$R$  means the number of calendar days from, but excluding, the relevant Protected Return Period Start Date $_q$  (as specified below) to, and including, the relevant Protected Return Period End Date $_q$  (as specified below) unless a Protected Return Knock Out Event (as described below) has occurred, in which case, to, and including, the day on which such Protected Return Knock Out Event has occurred; and

$S$  means the number of calendar days from, but excluding, the relevant Protected Return Period Start Date $_q$  to, and

including, the relevant Protected Return Period End Date<sub>q</sub>  
 v means the number of Protected Return Periods]

[Total Fee means  $N \times \left[ \sum_{i=0}^t \frac{U_i}{U_0} \times FR \times DCF \right]$ ]

Where:

DCF means the Day Count Fraction specified below;

FR means the Fee Rate specified below;

$U_i$  means Reference Price 1 specified below on the relevant calendar day (or, if that day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day);

$U_0$  means Initial Reference Price 1 specified below; and

t means the number of calendar days from (but excluding) the Strike Date to (and including) the Final Valuation Date].

Wi means the weighting of the Underlyings

Barrier Level Event means that [Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [its Barrier Level/their respective Barrier Levels] [at the Valuation Time / without regard to the Valuation Time]

[For range accrual certificates, Barrier Level Event means the number of times the Level of one/all of the/[•] of the] Underlyings] is [at/or] [above] [below] [its Barrier Level/their respective Barrier Levels] during the period between [•][to delete]

If a Barrier Level Event occurs [on [SPECIFY DATE(S)]/[in respect of [SPECIFY ANY APPLICABLE PERIOD(S)]:

EITHER: [the Cash Account shall be [•] per cent. of the Nominal Amount and the Instruments shall be redeemed at such amount on [the Settlement/Redemption Date]/[SPECIFY DATE].

OR: [F<sub>i</sub> shall be [•] per cent. of li]

OR: [SPECIFY OTHER]

(Repeat as necessary)

[SPECIFY CAPS, FLOORS, FIXED AMOUNTS, EITHER HERE, IN THE FORMULAS OR RELATED DEFINITIONS]]

i	Underlying	W	Barrier Level	Leverage
1	[•]	[•]	[•]	[•]
2	[•]	[•]	[•]	[•]

3	[•]	[•]	[•]	[•]
etc.	[•]	[•]	[•]	[•]

[specify other]

(If "Protected Return" applies, then the following provisions apply and should be completed:)

Protected Return Knock Out Event:

[From, but excluding, the Strike Date, to and including, the Reset Date: a Protected Return Knock Out Event shall occur if the Outstanding Purchase Amount is less than [•]% of the Initial Purchase Size on any day.]

[From, but excluding, the Reset Date, to and including, the Final Valuation Date: a Protected Return Knock Out Event shall occur if the Outstanding Purchase Amount is less than [•]% of the Reset Outstanding Purchase Amount on any day.]

Protected Return Rate (PRR<sub>q</sub>):

[For Protected Return Period<sub>1</sub>:

If a Protected Return Knock Out Event has not occurred, [•]%, else [0.00]/[specify other]%;

For Protected Return Period<sub>2</sub>:

If a Protected Return Knock Out Event has not occurred, [•]%, else [0.00]/[specify other]%;

For Protected Return Period<sub>3</sub>:

If a Protected Return Knock Out Event has not occurred, [•]%, else [0.00]/[specify other]%;

For Protected Return Period<sub>4</sub>:

If a Protected Return Knock Out Event has not occurred, [•]%, else [0.00]/[specify other]%;

For Protected Return Period<sub>5</sub>: and

If a Protected Return Knock Out Event has not occurred, [•]%, else [0.00]/[specify other]%;

(delete or add periods as appropriate)

Protected Return Period<sub>q</sub>:

From, but excluding, the relevant Protected Return Period Start Date to, and including, the relevant Protected Return Period End Date as follows:

q	Protected Return Period Start Date	Protected Return Period End Date
1	[[•] (the <b>Strike Date</b> )]	[•]
2	[•]	[•]
3	[•]	[•]
4	[•]	[•]
5	[•]	[[•] ( the <b>Final Valuation</b> )]

		Date)]
--	--	--------

**(delete or add periods as appropriate)**

Initial Purchase Size:

[•]

Outstanding Purchase Amount:

[From, and including the Issue Date to and including the [Settlement]/[Redemption] Date, the outstanding principal amount of [securities of the underlying [specify relevant underlying type]] held by persons other than the Issuer [and/or RBS N.V.]. Those securities of the underlying [specify relevant underlying type] which are held by the Issuer [and/or its Affiliates] or which have been repurchased by the Issuer are excluded from the calculation of the Outstanding Purchase Amount. On the Issue Date, the Outstanding Purchase Amount shall equal the Initial Purchase Size of the underlying [specify relevant underlying type].]

Information Source for Outstanding Purchase Amount:

[www.rbs.co.uk/markets/[•]]

Reset Outstanding Purchase Amount:

[The Outstanding Purchase Amount on the Reset Date.]

*(If "Total Fee" applies, then the following provisions apply and should be completed:):*

Day Count Fraction

[Act/365 (unadjusted)]/[Other - specify]

Fee Rate:

[•]% per annum

Reference Price 1:

[The level of Underlying<sub>[1]</sub> published by the Index Sponsor at the Valuation Time]/[Other – specify]

Initial Reference Price 1:

Reference Price 1 on the Strike Date

Final Reference Price 2:

Reference Price 1 on the Final Valuation Date

Strike Date

[The date specified above]/[Other – specify]

Final Valuation Date:

[The date specified above]/[Other – specify]

Coupon:

[Applicable]\*[Not Applicable]

\*if Applicable, EITHER

[Coupon = N x P x Min(100%, Max(FLC / Strike -1, 0))

where:

Coupon means the amount of interest payable by the Issuer in respect of each Nominal Amount on each Interest Payment Date

FLC means [•] (describe here the final level reference basis of the Underlying(s) for the purposes of assessing the performance of the Underlying(s) compared to its/their initial level(s))

Interest Payment Date means [Settlement Date]/[Redemption Date]

N means the Nominal Amount

P means a participation percentage [of [•]%/ to be determined by the Calculation Agent in the light of prevailing

market conditions on or about [●], subject to a minimum of [●] per cent

Strike means [●]

Underlying[s] mean[s] [●]

OR

[Specify other formula and related provisions]

Underlying: (specify below details of each Reference Item representing a Component of the Multi Asset Basket Instruments)

1)

(i) [Commodity]:	[Gold][Platinum][Silver][Other - specify]
(ii) [Reuters Page][Bloomberg Page]:	[specify]
(iii) Final Reference Price:	[As stated in Product Condition 4][specify other]
(iv) Valuation Time:	[The time of the London [morning] <sup>3</sup> [daily] <sup>4</sup> fixing price for the Commodity][Other - specify]]  <b>(COMMODITY ONLY. Delete sub-paragraph if not applicable)</b>
(i) [Reference Asset]:	[specify]
(ii) [Reuters Page][Bloomberg Page]:	[specify]
(iii) Exchange	[specify]
(iv) Limit-up:	[Applicable][Not Applicable]
(v) Limit-down:	[Applicable][Not Applicable]
(vi) Final Reference Price	[As stated in Product Condition 4][specify other]
(vii) Valuation Time:	[The close of trading on the Exchange][Other - specify]]  <b>(COMMODITY CONTRACT ONLY. Delete sub-paragraph if not applicable)</b>
(i) [Underlying FX Rate]:	[specify]
(ii) Relevant Screen Page:	[specify]
(iii) Final Reference Price:	[As stated in Product Condition 4][specify other]
(iv) Valuation Time:	[specify]]  <b>(UNDERLYING FX RATE ONLY. Delete sub-paragraph if not applicable)</b>
(i) [Reference Asset]:	[specify Fund] (ISIN: [●]; Bloomberg Page: [●])
(ii) Replacement Fund:	[Applicable][Not Applicable]
(iii) Suspension Asset:	[Applicable][Not Applicable]
(iv) Final Reference Price:	[As stated in Product Condition 4][specify other]
(v) Trigger Event Termination Amount:	[Cash Settlement Amount]/[Fair market value]/[Other - specify]]  <b>(FUND ONLY. Delete sub-paragraph if not applicable)</b>

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<sup>3</sup> For Gold and Platinum.

<sup>4</sup> For Silver.

(i) [Reference Asset:	[specify] (Bloomberg Page: [specify])
(ii) Exchange:	[specify]
(iii) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(GOVERNMENT BOND (OR RELATED CONTRACT) ONLY.</b> Delete sub-paragraph if not applicable)
(i) [Index/Proprietary Index:	[specify] (Bloomberg Code: [specify])
(ii) [Reuters Page][Bloomberg Page]:	[specify]
(iii) Exchange	[specify]
(iv) Limit-up:	[Applicable][Not Applicable]
(v) Limit-down:	[Applicable][Not Applicable]
(vi) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(INDEX ONLY.</b> Delete sub-paragraph if not applicable)
(i) Share:	[ordinary] shares of the Share Company (ISIN: specify)
(ii) Exchange Traded Fund	[Applicable][Not Applicable] [(further particulars specified below)]
(iii) Share Amount:	[specify][Not Applicable]
(iv) Share Company:	[specify]
(v) Exchange:	[specify]
(vi) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(SHARE ONLY.</b> Delete sub-paragraph if not applicable)

**[Exchange Traded Fund Particulars (delete this row and the following 4 rows if Exchange Traded Fund is specified to be "Not Applicable")]**

(i) Exchange Traded Fund Business [●] Day Jurisdiction(s):	
(ii) Replacement Exchange Traded Fund:	[Applicable][Not Applicable]
(iii) Trigger Event Termination Amount:	[Cash Settlement Amount]/[Fair market value]/[●]
(iv) Suspension Asset:	[Applicable][Not Applicable]]
(i) [Inflation Index:	[Index] published on a [monthly] [other] basis by the [insert Index Sponsor ], as displayed on Bloomberg page: [specify] <Index> (or such other page as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index) [specify other]
(ii) Pricing Date(s):	[specify][Not Applicable]
(iii) Valuation Month(s):	[specify]
(iv) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(INFLATION INDEX ONLY.</b> Delete sub-paragraph if not applicable)
(i) [Underlying:	[specify (ISIN: [specify]: Bloomberg Page: [specify])]
(ii) Issue Date:	[specify]

(iii)	Launch Date:	[specify]
(iv)	Listing Agent:	[specify]
(v)	Exchange:	
(vi)	Valuation Time:	[specify]
(vii)	Final Reference Price:	[The official close of trading on the Exchange][specify other] [As stated in Product Condition 4][specify other] <b>(UNDERLYING (CERTIFICATE) ONLY. Delete sub-paragraph if not applicable)</b>
(i)	[Property Index:	[specify]
(ii)	[Reuters Page][Bloomberg Page]	[specify]
(iii)	Property Index Sponsor:	[specify]
(iv)	Final Reference Price:	[As stated in Product Condition 4][specify other]
(v)	Measurement Period(s):	[specify]
(vi)	Publication Cut-off Date:	[specify] <b>(PROPERTY INDEX ONLY. Delete sub-paragraph if not applicable)</b>
2		
(i)	[Commodity:	[Gold][Platinum][Silver][Other - specify]
(ii)	[Reuters Page][Bloomberg Page]:	[specify]
(iii)	Final Reference Price:	[As stated in Product Condition 4][specify other]
(iv)	Valuation Time:	[The time of the London [morning] <sup>5</sup> [daily] <sup>6</sup> fixing price for the Commodity][Other - specify]] <b>(COMMODITY ONLY. Delete sub-paragraph if not applicable)</b>
(i)	[Reference Asset:	[specify]
(ii)	[Reuters Page][Bloomberg Page]:	[specify]
(iii)	Exchange	[specify]
(iv)	Limit-up:	[Applicable][Not Applicable]
(v)	Limit-down:	[Applicable][Not Applicable]
(vi)	Final Reference Price:	[As stated in Product Condition 4][specify other]
(vii)	Valuation Time:	[The close of trading on the Exchange][Other - specify]] <b>(COMMODITY CONTRACT ONLY. Delete sub-paragraph if not applicable)</b>
(i)	[Underlying FX Rate:	[specify]
(ii)	Relevant Screen Page:	[specify]
(iii)	Final Reference Price:	[As stated in Product Condition 4][specify other]
(iv)	Valuation Time:	[specify]

<sup>5</sup> For Gold and Platinum.

<sup>6</sup> For Silver.

**(UNDERLYING FX RATE ONLY. Delete sub-paragraph if not applicable)**

- (i) [Reference Asset: [specify Fund] (ISIN: [•]; Bloomberg Page: [•])
- (ii) Replacement Fund: [Applicable][Not Applicable]
- (iii) Suspension Asset: [Applicable][Not Applicable]
- (iv) Final Reference Price: [As stated in Product Condition 4][specify other]
- (v) Trigger Event Termination Amount: [Cash Settlement Amount]/[Fair market value]/[Other - specify]]

**(FUND ONLY. Delete sub-paragraph if not applicable)**

- (i) [Reference Asset: [specify] (Bloomberg Page: [specify])
- (ii) Exchange: [specify]
- (iii) Final Reference Price: [As stated in Product Condition 4][specify other]]

**(GOVERNMENT BOND (OR RELATED CONTRACT) only. Delete sub-paragraph if not applicable)**

- (i) [Index/Proprietary Index: [specify] (Bloomberg Code: [specify]))
- (ii) [Reuters Page][Bloomberg Page]: [specify]
- (iii) Exchange: [specify]
- (iv) Limit-up: [Applicable][Not Applicable]
- (v) Limit-down: [Applicable][Not Applicable]
- (vi) Final Reference Price: [As stated in Product Condition 4][specify other]]

**(INDEX ONLY. Delete sub-paragraph if not applicable)**

- (i) [Share: [ordinary] shares of the Share Company (ISIN: specify)]
- (ii) Share Amount: [specify][Not Applicable]
- (iii) Share Company: [specify]
- (iv) Exchange: [specify]
- (v) Final Reference Price: [As stated in Product Condition 4][specify other]]

**(SHARE ONLY. Delete sub-paragraph if not applicable)**

**[Exchange Traded Fund Particulars (delete this row and the following 4 rows if Exchange Traded Fund is specified to be "Not Applicable")**

- (i) Exchange Traded Fund Business [•]  
Day Jurisdiction(s):
- (ii) Replacement Exchange Traded Fund: [Applicable][Not Applicable]
- (iii) Trigger Event Termination Amount: [Cash Settlement Amount]/[Fair market value]/[•]
- (iv) Suspension Asset: [Applicable][Not Applicable]]
- (v) [Inflation Index: [[Index] published on a [monthly] [other] basis by the [insert Index Sponsor ], as displayed on Bloomberg page: [specify] <Index> (or such other page as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index)] [specify other]]

(vi) Pricing Date(s):	[specify][Not Applicable]
(vii) Valuation Month(s):	[specify]
(viii) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(INFLATION INDEX ONLY.</b> Delete sub-paragraph if not applicable)
(i) Underlying:	[specify (ISIN: [specify]: Bloomberg Page: [specify])]
(ii) Issue Date:	[specify]
(iii) Launch Date:	[specify]
(iv) Listing Agent:	[specify]
(v) Exchange:	[specify]
(vi) Valuation Time:	[The official close of trading on the Exchange][specify other]
(vii) Final Reference Price:	[As stated in Product Condition 4][specify other]  <b>(UNDERLYING (CERTIFICATE) ONLY.</b> Delete sub-paragraph if not applicable)
(i) Property Index:	[specify]
(ii) [Reuters Page][Bloomberg Page]	[specify]
(iii) Property Index Sponsor:	[specify]
(iv) Final Reference Price:	[As stated in Product Condition 4][specify other]
(v) Measurement Period(s):	[specify]
(vi) Publication Cut-off Date:	[specify]  <b>(PROPERTY INDEX ONLY.</b> Delete sub-paragraph if not applicable)

*(Repeat as may be necessary)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE** *(Delete this section in its entirety if Coupon is specified to be Not Applicable)*

Interest Basis:	[[•] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate] [specify other]
Fixed Rate Instrument Provisions:	[Applicable/Not Applicable]  (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Calculation Amount: <i>(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[•](If Nominal Amount used, delete this paragraph)
(ii) Nominal Amount: <i>(If Calculation Amount used, delete this paragraph)</i>	
(iii) Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]
(iv) Interest Commencement Date:	[•]

(v) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount]:	[●] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>
(ii) [Nominal Amount]:	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant	[●]

Agent or the Registrar, as the case may be):

(x) Screen Rate Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [•]  
(Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [•]  
(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [•]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

(xii) Margin(s): [+/-][•] per cent. per annum

(xiii) Minimum Rate of Interest: [•] per cent. per annum

(xiv) Maximum Rate of Interest: [•] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30E/360 or Eurobond Basis  
Actual/Actual (ICMA)  
specify other]  
(See *Product Condition 10(c)* for alternatives)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [•]

*THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT*

**OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable][Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable][specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable][specify]
Issuer Call Notice Period:	[Not Applicable][one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Integral Multiple:	[●][Not Applicable]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
[Reuters Page][Bloomberg Page]:	[specify]
Settlement Currency:	[●]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
Relevant Currency:	[The Settlement Currency][specify other]
Strike Currency:	[●]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [[final] Valuation Date][calculation and announcement of the Level for the [final] [Measurement Period][Valuation Month][ or Issuer Call Date]][specify other]
Strike Price:	[●]
Valuation Date(s):	[As stated in Product Condition 4][Other - specify]
Amendments to Conditions and/or Product Conditions:	[●]  <i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
Amendments to the Offering Procedure for the Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]
ISIN:	[●]

SEDOL: [•]  
Clearing through Euroclear Sweden AB: [Applicable][*delete row if not applicable*]  
Clearing through VPS: [Applicable][*delete row if not applicable*]

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## GENERAL INSTRUMENTS

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Series:	[●] [Exercisable Certificates] [Call Warrants] [Put Warrants] [Redeemable Certificates] Series [●]
Issue Price:	[●]
Number of [Certificates][Warrants] being issued:	[●]
Nominal Amount	[The Issue Price per Instrument][specify other]
Automatic Exercise:	[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice (NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB or VPS)][Automatic Exercise: No delivery of Exercise Notice - Not Applicable (specify alternative provisions)(NB: ONLY APPLIES WHERE INSTRUMENTS ARE CLEARED THROUGH EUROCLEAR SWEDEN AB AND THE DEFAULT POSITION DOES NOT APPLY][Not Applicable]
Cash Amount:	[Cash Amount = P x N where: P means a participation percentage [of [●]%/ to be determined by the Calculation Agent in the light of prevailing market conditions on or about [●], subject to a minimum of [●] per cent; and N means Nominal Amount] [Other – specify]]
Coupon:	[Applicable][Specify formula and related provisions][Not Applicable]
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b> ( <i>Delete this section in its entirety if Coupon is specified to be Not Applicable</i> )	
Interest Basis:	[ [●] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate] [specify other]
Fixed Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) [Calculation Amount:]	
(Specify, in the case of Fixed Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)	[●](If Nominal Amount used, delete this paragraph)
(ii) [Nominal Amount:]	[●](If Calculation Amount used, delete this paragraph)
(iii) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (specify)] in arrear]
(iv) Interest Commencement Date:	[●]

(v) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]/not adjusted]
(vi) Business Day Centre(s):	[●] (NB: only relevant where Business Day Convention is applicable)
(vii) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) specify other]
(viii) Determination Date(s):	[●] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	[Not Applicable/give details]
Floating Rate Instrument Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
(i) [Calculation Amount:] <i>(Specify, in the case of Floating Rate Instruments represented by a Global Instrument, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●]
(ii) [Nominal Amount:]	[●]
(iii) Interest Commencement Date:	[●]
(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]
(v) First Interest Payment Date:	[●]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(vii) Business Day Centre(s):	[●]
(viii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(ix) Party responsible for calculating the Interest Amount(s) (if not the Principal Certificate and Warrant	[●]

Agent or the Registrar, as the case may be):

(x) Screen Rate Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: [•]  
(Either LIBOR, EURIBOR or other, although additional information is required if other)
- Interest Determination Date(s): [•]  
(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [•]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(xi) ISDA Determination: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

(xii) Margin(s): [+/-][•] per cent. per annum

(xiii) Minimum Rate of Interest: [•] per cent. per annum

(xiv) Maximum Rate of Interest: [•] per cent. per annum

(xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30E/360 or Eurobond Basis  
Actual/Actual (ICMA)  
specify other]  
(See *Product Condition 10(c) for alternatives*)

(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [•]

**THE FOLLOWING "ISSUER CALL" PROVISIONS MAY ONLY BE SPECIFIED TO APPLY IN RESPECT OF REDEEMABLE CERTIFICATES ONLY**

Issuer Call:	[Applicable][Not Applicable] (if Not Applicable, delete the following 3 rows)
Issuer Call Cash Amount:	[Not Applicable][specify] [specify formula]
Issuer Call Commencement Date:	[Not Applicable][specify]
Issuer Call Notice Period:	[Not Applicable][one calendar month] [specify other]
Cash Settled Instruments:	Applicable
Exercise Time:	[12.00 noon] Central European Time[Not Applicable]
Expiration Date:	[●][Not Applicable]
European Style:	[Applicable][Not Applicable]
Integral Multiple:	[●][Not Applicable]
Minimum Exercise Number:	[●][Not Applicable]
Maximum Exercise Number:	[●][Not Applicable]
Settlement Currency:	[●][Not Applicable]
Fixed Exchange Rate:	[Applicable: [insert rate]][Not Applicable]
[Settlement Date][Redemption Date]:	[The [fifth] Business Day following the [Issuer Call Date]][Other-specify]
Strike Currency:	[●][Not Applicable]
Strike Price:	[●][Not Applicable]
Amendments to Conditions and/or Product Conditions:	[●]  (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 Instruments:	[The Issuer reserves the right to cancel the issue and/or offer of the Instruments for whatever reason including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue; [(b) the participation percentage (P) being less than the minimum participation percentage specified in the paragraph headed "Cash Amount" above;] or (c) the number of Instruments or currency amount in respect of which offers are received is (or is determined by the Issuer or the Distributor(s) to be likely to be) less than the number or amount expected by the Issuer.][Other - specify]
ISIN:	[●]
SEDOL:	[●]
Clearing through Euroclear Sweden AB:	[Applicable][delete row if not applicable]
Clearing through VPS:	[Applicable][delete row if not applicable]

## PART B – OTHER INFORMATION

### INFORMATION ON THE UNDERLYING

Subscription Period: [●][Not Applicable]

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

### TERMS AND CONDITIONS OF THE OFFER

Offering Jurisdiction: [●]

Offer Price: [Not Applicable]

[per cent. of the nominal amount/[●] per Instrument]

[To be determined on the basis of the prevailing market conditions on or about [●] subject to the Maximum Price specified below. Maximum Price: [●] per cent. of the nominal amount/[●] per Instrument]

Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable]/[●]

[To be determined on the basis of the demand for the Instruments and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.]

Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject: [●]  
[●]

Right to cancel - Minimum Number of Instruments: [●]

The time period during which the offer will be open: [●]

Description of the application process [Not Applicable]/  
[●]

[Purchases from the relevant Distributor can be made by submitting to the relevant Distributor, a form provided by the relevant Distributor, or otherwise as instructed by the relevant Distributor.]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants [Not Applicable]/  
[●]

Details of the minimum and/or maximum amount of application: [Not Applicable]/  
[●]

Details of the method and time limits for paying up and delivering the Instruments: [Not Applicable]/  
[Payments for the Instruments shall be made to the relevant Distributor on [[●]/such date as the relevant Distributor may specify] as instructed by the relevant Distributor.]

[The Instruments are expected to be delivered to the purchasers' respective accounts on or around [[●]/the date as notified by the relevant Distributor].]

Manner in and date on which results of the offer are to be made public:	[Not Applicable] [•]
Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable] [•]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] [•] [Applicants will be notified by the relevant Distributor of the success of their application. Dealings in the Instruments may begin before such notification is made.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] [•] [The Issuer may also pay a commission or other amount to Distributors in connection with this offer.]
Name(s) and address(es), to the extent known to the Issuer, of the placers ( <b>Distributor(s)</b> ) in the various countries where the offer takes place.	[None] [•]
<b>Market Making Arrangements:</b>	[Yes/No] [The Issuer will not enter into any contracts with any person to make a market in the Instruments. The relevant Distributor will under normal market conditions provide on a daily basis a purchase price and, if possible, a sale price. Such prices will only be valid on the relevant date. The purchase price will be determined at the sole discretion of the relevant Distributor and may not reflect the market value of the Instruments. The relevant Distributor has no contractual obligation to the Issuer to provide a purchase price and may discontinue the provision of purchase prices at any time.]*

\* Include if no market making arrangements specified

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of The Royal Bank of Scotland plc:

By: .....  
Duly authorised