
19 April 2011

EIGHTH SUPPLEMENT TO THE BASE PROSPECTUS IN RESPECT OF THE LAUNCHPAD PROGRAMME FOR THE ISSUANCE OF OPEN END CERTIFICATES DATED 19 APRIL 2011



THE ROYAL BANK OF SCOTLAND N.V.

(Registered at Amsterdam, The Netherlands)

(the **Issuer** or **RBS N.V.**)

RBS LaunchPAD Programme

- 1 This Supplement dated 19 April 2011 (this **Supplement**) constitutes the eighth supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the issuance of Open End Certificates approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010 (the **Base Prospectus**).
- 2 The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC (the **Prospectus Directive**) by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
- 3 This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.
- 4 In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
- 5 Where used in this Supplement (including the Schedules hereto), the term **RBSG Group** means The Royal Bank of Scotland Group plc and its subsidiaries consolidated in accordance with International Financial Reporting Standards and the term **Group** means RBS Holdings N.V. and its consolidated subsidiaries.
- 6 The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 7 On 19 April 2011, the boards of The Royal Bank of Scotland Group plc, The Royal Bank of Scotland plc (**RBS**), RBS Holdings N.V. (**RBS Holdings**) and RBS N.V. approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the **Proposed Transfers**), subject, among other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the proposed transfers (including of certain debt securities issued by RBS N.V.) is expected to have taken place by the end of 2012. For further information see the Press Release which is referred to in paragraph 8 below.
- 8 On 19 April 2011, the Issuer and RBS Holdings published a supplement to their registration document dated 5 April 2011 (the **Registration Document**), a copy of which supplement has been approved by and filed with the AFM (the **RD Supplement**). By virtue of the RD Supplement, the press release entitled “Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc” published by the Issuer on 19 April 2011 (the **Press Release**) was incorporated into, and forms part of, the Registration Document.
- 9 By virtue of the RD Supplement, the unaudited pro forma financial information for RBS Holdings set out in Schedule 1 to this Supplement (the **Unaudited Pro Forma Financial Information**) was incorporated into, and forms part of, the Registration Document.
- 10 By virtue of the RD Supplement, the risk factor headed “*An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group’s business, results of operations, financial condition, capital ratios and liquidity*” set out on pages 4 to 5 of the Registration Document was deemed to be deleted in its entirety and replaced with the risk factor set out in Schedule 2 to this Supplement.
- 11 By virtue of this Supplement, the sentence “An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group’s business, results of operations, financial condition, capital ratios and liquidity” set out under the sub-section headed “Risk Factors” in the section headed “Summary” (by virtue of the supplement to the Base Prospectus dated 7 April 2011) shall be deleted in its entirety and replaced with the following sentences: “An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing. In particular, on 19 April 2011, the boards of RBSG, RBS, RBS Holdings and RBS N.V. approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS. Such restructuring and balance sheet reduction programme may adversely affect the Group’s business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of the Securities”.
- 12 By virtue of this Supplement, the following sentences shall be inserted in a new sub-section headed “Proposed transfer of activities” to be inserted immediately above the sub-section headed “Risk Factors” in the section headed “Summary”:

“On 19 April 2011, RBS N.V. announced that it had approved the proposed transfers of a substantial part of its business activities to RBS, subject to certain conditions the (**Proposed Transfers**). It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers (including of certain debt securities issued by RBS N.V.) is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 and the date that the Proposed Transfers take effect.”.
- 13 By virtue of this Supplement, (i) the RD Supplement (which includes Schedule 2 to this Supplement), (ii) the Press Release and (iii) the Unaudited Pro Forma Financial Information are incorporated into and form part of the Base Prospectus. Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents referred to in the previous sentence shall not be incorporated by

reference into the Base Prospectus by virtue of this Supplement, except where such information or other documents are specifically incorporated by reference into the Base Prospectus. In addition, where sections of any of the documents referred to in this paragraph 12 which are incorporated by reference into the Base Prospectus by virtue of this Supplement cross-reference other sections of the same document which are not so incorporated, such cross-referenced information shall not form part of the Base Prospectus, unless otherwise incorporated by reference into the Base Prospectus.

- 14** A copy of this Supplement, the Base Prospectus and all other supplements thereto and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
- 15** If the documents which are incorporated by reference in the Base Prospectus by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplement.
- 16** To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Base Prospectus by virtue of this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus or any previous supplement to the Base Prospectus, the statements referred to in (a) above will prevail.
- 17** Save as disclosed in any previous supplement to the Base Prospectus or this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (as supplemented at the date hereof) has arisen or has been noted since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

SCHEDULE 1

Unaudited pro forma financial information relating to RBS Holdings N.V.

This Schedule 1 provides pro forma financial information as at and for the year ended 31 December 2010 for RBS Holdings N.V. The proposed transfers of a substantial part of the business activities of The Royal Bank of Scotland N.V. (**RBS N.V.**) to The Royal Bank of Scotland plc (**RBS**) (the **Proposed Transfers**) collectively constitute a significant event and historical financial information on a pro forma basis is provided to give investors a better understanding of what the results of operations and financial position of RBS N.V. might have looked like had the transfers to RBS occurred in respect of the unaudited pro forma condensed consolidated statement of financial position as at 31 December 2010 and, in respect of the unaudited pro forma condensed consolidated income statements, on 1 January of the respective years. The Proposed Transfers are expected to be implemented on a phased basis over a period ending 31 December 2013.

For the purposes of the pro forma financial information, RBS Holdings N.V. comprises RBS Holdings N.V. and its consolidated subsidiaries.

The pro forma financial information has been prepared for illustrative purposes only on the basis of estimates and assumptions about which assets and liabilities will be transferred. These assumptions are preliminary and subject to ongoing analysis with respect to which specific assets and liabilities will in fact be transferred and which will be retained in RBS N.V. The pro forma information addresses a hypothetical situation and does not represent the actual position or the results of RBS Holdings N.V. nor is it necessarily indicative of the results of operations or financial position that may, or may be expected to, be achieved in the future.

The pro forma financial information includes the following condensed consolidated pro forma information for RBS Holdings N.V. (i) a pro forma condensed consolidated statement of financial position as at 31 December 2010, (ii) a pro forma condensed consolidated income statement for each of the years ended 31 December 2010, 31 December 2009 and 31 December 2008, and (iii) notes to the pro forma financial information.

As at the date of this announcement, Management of RBS Holdings N.V. is not aware of any matters that could impact the results and financial position as presented in the pro forma financial information.

Unaudited pro forma Condensed Consolidated Statement of Financial Position as at 31 December 2010

	RBS Holdings N.V.⁽¹⁾	Proposed Transfers⁽²⁾	Pro Forma Total⁽³⁾⁽⁴⁾
	€m	€m	€m
Assets			
Cash and balances at central banks	8,323	8,142	181
Loans and advances to banks	26,705	25,246	1,459
Loans and advances to customers	44,496	37,476	7,020
Debt securities.....	52,260	23,294	28,966
Equity shares.....	22,634	21,131	1,503
Settlement balances.....	3,573	3,399	174
Derivatives	28,272	25,837	2,435
Other assets	14,119	10,481	3,638
Total assets	200,382	155,006	45,376
Liabilities			
Deposits by banks	31,985	10,682	21,303
Customer accounts	54,905	50,258	4,647
Debt securities in issue.....	53,411	46,042	7,369
Settlement balances and short positions.....	5,202	4,936	266
Derivatives	35,673	31,467	4,206
Other liabilities.....	14,234	9,049	5,185
Total liabilities	195,410	152,434	42,976
Equity			
Non-controlling interests.....	24	10	14
Shareholders of the parent company	4,948	2,562	2,386
Total equity	4,972	2,572	2,400
Total equity and liabilities	200,382	155,006	45,376

Notes:

- (1) This financial information for RBS Holdings N.V. as at 31 December 2010 has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the value of the assets, liabilities and equity as at 31 December 2010 proposed to be transferred to RBS plc over the period up until 31 December 2013. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the value of the assets, liabilities and equity as at 31 December 2010 assuming the Proposed Transfers had occurred at that date.
- (4) As part of the Proposed Transfers it is assumed that all intercompany transactions are settled and that the retained business is refinanced according to its funding needs.

Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2010

	RBS		
	Holdings	Proposed	Pro Forma
	N.V.⁽¹⁾	Transfers⁽²⁾	Total⁽³⁾
	€m	€m	€m
Net interest income	1,427	986	441
Fees and commissions receivable	1,152	1,019	133
Fees and commissions payable	214	113	101
Income from trading activities	1,131	1,074	57
Other operating (loss)/income	(52)	108	(160)
Non-interest income	2,445	2,314	131
Total income	3,872	3,300	572
Operating expenses	(3,380)	(3,035)	(345)
Profit before impairment losses	492	265	227
Impairment losses	(67)	93	(160)
Operating profit before tax	425	358	67
Tax (charge)/credit	(302)	(303)	1
Profit for the year from continuing operations	123	55	68
<i>Attributable to:</i>			
Non-controlling interests.....	(2)	—	(2)
Shareholders of parent company	125	55	70

For notes to this table refer to page 8.

Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2009

	RBS Holdings N.V.⁽¹⁾	Proposed Transfers⁽²⁾	Pro Forma Total⁽³⁾
	€m	€m	€m
Net interest income	1,834	1,546	288
Fees and commissions receivable	1,506	1,297	209
Fees and commissions payable	(483)	(455)	(28)
(Loss)/income from trading activities	(303)	(634)	331
Other operating loss	(1,157)	(724)	(433)
Non-interest (loss)/income	(437)	(516)	79
Total income	1,397	1,030	367
Operating expenses	(4,621)	(3,914)	(707)
Loss before impairment losses	(3,224)	(2,884)	(340)
Impairment losses	(1,623)	(1,055)	(568)
Operating loss before tax	(4,847)	(3,939)	(908)
Tax credit/(charge)	465	586	(121)
Loss for the year from continuing operations	(4,382)	(3,353)	(1,029)
<i>Attributable to:</i>			
Non-controlling interests.....	(1)	—	(1)
Shareholders of parent company	(4,381)	(3,353)	(1,028)

For notes to this table refer to page 8.

Unaudited pro forma Condensed Consolidated Income Statement for the year ended 31 December 2008

	RBS Holdings N.V.⁽¹⁾	Proposed Transfers⁽²⁾	Pro Forma Total⁽³⁾
	€m	€m	€m
Net interest income	2,835	2,437	398
Fees and commissions receivable	1,681	1,457	224
Fees and commissions payable	(374)	(457)	83
Loss from trading activities.....	(7,716)	(5,494)	(2,222)
Other operating loss	(1,763)	(1,816)	53
Non-interest (loss)/income	(8,172)	(6,310)	(1,862)
Total income/(loss)	(5,337)	(3,873)	(1,464)
Operating expenses	(7,844)	(4,956)	(2,888)
Loss before impairment losses	(13,181)	(8,829)	(4,352)
Impairment losses	(2,920)	(1,973)	(947)
Operating loss before tax	(16,101)	(10,802)	(5,299)
Tax credit/(charge)	2,736	2,331	405
Profit/(loss) for the year from continuing operations ...	(13,365)	(8,471)	(4,894)
<i>Attributable to:</i>			
Non-controlling interests.....	15	—	15
Shareholders of parent company	(13,380)	(8,471)	(4,909)

Notes:

- (1) This financial information for RBS Holdings N.V. has been extracted from audited financial information contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011.
- (2) This represents the income and expenses relating to the Proposed Transfers for the years ended 31 December 2010, 2009 and 2008. See "Notes to the pro forma financial information relating to RBS Holdings N.V." for further information.
- (3) This represents the income and expenses for the years ended 31 December 2010, 2009 and 2008 assuming the Proposed Transfers had occurred on 1 January of the respective years.

Notes to the pro forma financial information relating to RBS Holdings N.V.

1 Basis of preparation

The pro forma financial information for RBS Holdings N.V. as at 31 December 2010, and for the years ended 31 December 2010, 31 December 2009 and 31 December 2008 respectively, has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB and adopted by the European Union. The financial information has been extracted from audited financial information for the year ended 31 December 2010 contained within the Annual Report and Accounts of RBS Holdings N.V. published on 29 March 2011 and does not reflect subsequent events.

The pro forma financial information has been prepared on the following basis:

- The pro forma financial information has been prepared on the basis of management's best estimate of the relevant third party assets and liabilities of RBS N.V. that will be transferred to RBS plc.
- The pro forma condensed consolidated statement of financial position of RBS Holdings N.V. as at 31 December 2010 is presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 31 December 2010.
- The pro forma condensed consolidated income statements of RBS Holdings N.V. for the years ended 31 December 2010, 2009 and 2008 respectively, are presented to show the effect of the Proposed Transfers as if the Proposed Transfers had occurred on 1 January of the respective years.
- Assets and liabilities to be transferred are presented based on their carrying values determined under IFRS. The allocation of equity was assessed on a global basis to reflect the expected level of capital support required by the transferring and retained businesses. Pre-existing intra-group funding was treated as settled upon transfer with new funding allocated as needed to reflect the financing needs of the transferring and retained businesses. Certain modifications were applied where, in the opinion of management, material non-recurring profit and loss items could be allocated more reliably on an individual basis.
- The Proposed Transfers are subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures, any of which may significantly change the pro forma information from that presented.

The same accounting policies were followed in the pro forma financial information as were applied in the preparation of RBS Holdings N.V. financial statements for the year ended 31 December 2010.

2 Businesses to be transferred as part of the Proposed Transfers

RBS N.V.'s businesses include the following product areas: Equities & Structured Retail Products, Emerging Markets, Lending, Global Transaction Services (GTS), and Short Term Markets & Financing (STMF). The Proposed Transfers comprise a number of subsidiary companies and specific product portfolios together with associated hedging. RBS N.V. also currently holds directly and indirectly certain other assets which are owned by RBSG jointly with the Dutch State and Santander (the **Consortium Shared Assets**); these are part of the retained businesses.

It is expected that the Proposed Transfers will be implemented on a phased basis over a period ending 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain

securities issued by RBS N.V.) is expected to have taken place by the end of 2012. This will be subject, amongst other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures.

It is not certain whether such transfers (or any of them) will be effected at the value used for the pro forma financial information. No person should place any reliance on the pro forma financial information in connection with making an investment decision or for any other purpose and should be aware that changes to the current proposals (including, without limitation, to the assets and liabilities to be transferred or retained, the eventual manner in which such assets and liabilities are proposed to be transferred and to the timing pursuant to which they are proposed to be transferred) may be made if required, or if determined by RBS N.V. or RBS plc (in their absolute discretion) to be desirable for commercial or other reasons. Accordingly, nothing in this pro forma financial information should be taken as (or is) a representation that any of the assets and liabilities referred to will be transferred or retained, whether in a manner consistent with the figures contained in this pro forma financial information, in accordance with the timing set out above, or at all. For the avoidance of doubt, this pro forma financial information has been prepared and circulated solely for information purposes and does not constitute an offer to any person.

3 Overview of RBS Holdings N.V. after the Proposed Transfers

For legal, tax and other reasons, there are expected to be certain operations, assets and liabilities in RBS N.V. which will not be transferred to RBS plc. RBSG is committed to providing the necessary support to ensure that RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Following completion of the Proposed Transfers, RBS N.V. will continue to be authorised and regulated by DNB.

Assurance Report on unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V.

Below is the text of an Assurance Report on the unaudited pro forma condensed consolidated statement of financial position as at 31 December 2010, the unaudited pro forma condensed consolidated income statement for the year ended 31 December 2010 and the notes thereto relating to RBS Holdings N.V., dated 19 April 2011 and issued by Deloitte Accountants B.V., chartered accountants (*'registeraccountants'*) (the **Assurance Report**).

Each of RBS Holdings N.V. and RBS N.V. confirms that the information in the Assurance Report has been accurately reproduced and that as far as each of RBS Holdings N.V. and RBS N.V. is aware and able to ascertain from information published by the Deloitte Accountants B.V., no facts have been omitted which would render the Assurance Report inaccurate or misleading.

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To the holders of debt instruments issued by
RBS Holdings N.V.

Assurance Report on the Unaudited Pro Forma Condensed Consolidated Financial Information

Introduction

In accordance with Commission Regulation No. 809/2004 (the **Prospectus Regulation**), we report on the unaudited pro forma condensed consolidated financial information of RBS Holdings N.V. (the **pro forma information**), which comprise the unaudited pro forma condensed consolidated statement of financial position as at 31 December 2010, the unaudited pro forma condensed consolidated income statement for the year ended 31 December 2010 and the notes thereto.

The pro forma information has been prepared on the basis described in the paragraph “Basis of preparation”, and for illustrative purposes only, to illustrate the estimated effects of the proposed transfers from RBS Holdings N.V. to The Royal Bank of Scotland plc on the condensed consolidated financial information as at and for the year ended 31 December 2010 as if such transfer of businesses had occurred on 31 December 2010 (in relation to the condensed consolidated statement of financial position of RBS Holdings N.V.) and as if such transfer of businesses had occurred on 1 January 2010 (in relation to the condensed consolidated

income statement of RBS Holdings N.V.). The pro forma information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of RBS Holdings N.V.

It is the responsibility of the management of RBS Holdings N.V. to prepare the pro forma information in accordance with the requirements of the Prospectus Regulation. It is our responsibility to provide the conclusion as required by Annex II item 7 of the Prospectus Regulation. We are not responsible for expressing any other opinion on the pro forma information or on any of its constituent elements. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Scope

We conducted our procedures in accordance with Dutch law and Standard 3850N ‘Assurance and Other Engagements related to Prospectuses’. Our procedures, which involved no examination of any of the underlying financial information, consisted primarily of comparing the financial information in the pro forma information with the source documents, considering the evidence supporting the pro forma information and of enquiries with the management of RBS Holdings N.V.

We planned and performed our procedures so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of RBS Holdings N.V.

We believe that our procedures performed provide a reasonable basis for our conclusion.

Opinion

In our opinion:

The unaudited pro forma condensed consolidated statement of financial position as at 31 December 2010 and the unaudited pro forma condensed consolidated income statement for the year ended 31 December 2010:

- a. have been properly compiled on the basis described in the paragraph “Basis of preparation”; and
- b. the basis is consistent with the accounting policies of RBS Holdings N.V.

This report is required by the Prospectus Regulation and is provided for the purpose of complying with that Prospectus Regulation and for no other purpose.

This report has been prepared for use in accordance with Dutch law and not in accordance with other professional standards. We accept no responsibility to, and deny any liability to, any person or in any way arising from or in connection with the use of this report outside the Netherlands.

Amsterdam, 19 April 2011

Deloitte Accountants B.V.

M.B. Hengeveld”

SCHEDULE 2

An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing. In particular, on 19 April 2011, the boards of RBSG, RBS, RBS Holdings and RBS N.V. approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS. Such restructuring and balance sheet reduction programme may adversely affect the Group's business, results of operations, financial condition, capital ratios and liquidity and may also negatively impact the value of the Securities.

The RBSG Group is in the course of implementing an extensive restructuring of its businesses, operations and assets, including those of the Group and other members of the RBSG Group, and may, in the future, consider making further changes to its business, operations, structure and assets.

In particular, on 19 April 2011, the boards of RBSG, RBS, RBS Holdings and RBS N.V. approved the proposed transfers of a substantial part of the business activities of RBS N.V. to RBS (the **Proposed Transfers**), subject, among other matters, to regulatory and other approvals, further tax and other analysis in respect of the assets and liabilities to be transferred and employee consultation procedures. It is expected that the Proposed Transfers (which exclude the Shared Assets (as defined on page 22 of the Registration Document)) will be implemented on a phased basis over a period ending on 31 December 2013. A large part of the Proposed Transfers (including the transfers of certain securities issued by RBS N.V.) is expected to have taken place by the end of 2012. The Proposed Transfers include a proposal to change the issuer of a number of securities issued by RBS N.V. which will include some or all of the securities issued by RBS N.V. between 19 April 2011 (being the date of the most recent supplement to the Registration Document) and the date(s) that the Proposed Transfers take effect. However, there is no assurance that any securities will be transferred to RBS or, if transferred, when such transfer may take place. RBSG is committed to providing all the necessary support to ensure RBS N.V. continues to meet its commitments during and after the Proposed Transfers. Nevertheless, it is possible that the Proposed Transfers might have a material adverse impact on the Group's business, financial condition, results of operations and prospects, and an adverse impact on RBS N.V.'s credit ratings, and may also negatively impact the value of the securities issued by RBS N.V. If securities issued by RBS N.V. are transferred to RBS, the fact of such transfer and/or the fact that RBS is a Scottish incorporated company might impact holders of such securities, whether for tax reasons or otherwise. For further information see the press release entitled "Proposed transfers of a substantial part of the business activities of RBS N.V. to RBS plc" published by RBS N.V. on 19 April 2011, which is incorporated by reference herein.

In addition, as part of the restructuring by RBSG of its businesses, operations and assets and the Group's refocus on core strengths and its disposal programme, RBS Holdings has been restructured into Core and Non-Core components. The Group expects to substantially run down or dispose of the businesses, assets and portfolios within the Non-Core division by 2013 and, during the course of 2010, it concluded the sales of businesses in Latin America, Asia, Europe and the Middle East.

Because the ability to dispose of assets and the price achieved for such disposals will be dependent on prevailing economic and market conditions, which may remain challenging, there is no assurance that the Group will be able to sell or run-down (as applicable) those remaining businesses it is seeking to exit either on favourable economic terms to the Group or at all. Tax liabilities could arise on the disposal of assets. Furthermore, where transactions are entered into for the purpose of selling non-core assets and businesses, they may be subject to conditions precedent, including government and regulatory approvals and completion mechanics that in certain cases may entail consent from customers. There is no assurance that such conditions precedent will be satisfied, or consents and approvals obtained, in a timely manner or at all. Any of the above factors could affect the Group's ability to implement their strategic plan and have a material adverse effect on

the business, results of operations, financial condition, capital ratios and liquidity of the Group and could result in a loss of value in the securities issued by RBS N.V.

In addition, the Group may be liable for any deterioration in businesses being sold between the announcement of the disposal and its completion. In certain cases, the period between the announcement of a transaction and its completion may be lengthy and may span many months. Other risks that may arise out of the disposal of the Group's assets include ongoing liabilities up to completion of the relevant transaction in respect of the assets and businesses disposed of, commercial and other risks associated with meeting covenants to the buyer during the period up to completion, the risk of employee and customer attrition in the period up to completion, substantive indemnity obligations in favour of the buyer, the risk of liability for breach of warranty, the need to continue to provide transitional service arrangements for potentially lengthy periods following completion of the relevant transaction to the businesses being transferred and redundancy and other transaction costs. Further, the Group may be required to enter into covenants agreeing not to compete in certain markets for specific periods of time. In addition, the Group will lose existing customers, deposits and other assets (both directly through the sale and potentially through the impact on the rest of the Group's business arising from implementing the restructuring plans) and the potential for realising additional associated revenues and margins that it otherwise might have achieved in the absence of such disposals.

Any of the above factors could negatively affect the Group's ability to implement its strategic plan and have a material adverse effect on the Group's business, results of operations, financial condition, capital ratios and liquidity and could result in a loss of value in the securities issued by RBS N.V.

Any restructuring may impact issues of securities by RBS N.V. and may result in changes to the businesses, operations and assets of RBS Holdings and RBS N.V.

LaunchPAD Programme

Supplementary Prospectus dated 7 April 2011

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



The Royal Bank of Scotland N.V.
(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

- 1** This Supplement dated 7 April 2011 (this **Supplement**) constitutes the seventh supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010 (the **Base Prospectus**).
- 2** The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC (the **Prospectus Directive**) by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
- 3** This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.
- 4** In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
- 5** The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 6** On 29 March 2011, RBS Holdings N.V. (**RBS Holdings**) published its Annual Report and Accounts 2010 (the **2010 Annual Report**) which includes the audited consolidated annual financial statements of RBS Holdings as at and for the year ended 31 December 2010 (prepared in accordance with International Financial

Reporting Standards as adopted by the European Union (**IFRS**)). The audited consolidated annual financial statements of RBS Holdings appear on pages 96 to 193 of the 2010 Annual Report and the auditor's report thereon appears on page 199 of the 2010 Annual Report. The 2010 Annual Report has been previously filed with the AFM.

- 7 On 5 April 2011, the Issuer published a registration document dated 5 April 2011 (the **Registration Document**). The Registration Document has been approved by the AFM.
- 8 The following documents shall, by virtue of this Supplement, be deemed to be incorporated in, and form part of, the Base Prospectus:
 - 8.1 the Registration Document;
 - 8.2 the 2010 Annual Report (excluding the section headed “Business Review — Risk Factors” on page 9 and the section headed “Additional Information — Risk Factors” on pages 221 to 231); and
 - 8.3 the ABN AMRO Holding N.V. Annual Report 2009 (the **2009 Annual Report**) (excluding the section headed “Risk Factors” on pages 61 to 68) which includes the audited consolidated annual financial statements of ABN AMRO Holding N.V. (now renamed RBS Holdings N.V.) as at and for the year ended 31 December 2009 (prepared in accordance with IFRS). The audited consolidated annual financial statements of ABN AMRO Holding N.V. appear on pages 82 to 235 of the 2009 Annual Report and the auditor’s report thereon appears on pages 193 to 197 of the 2009 Annual Report.
- 9 The following amendments are made to the Base Prospectus as a result of the publication (and incorporation by reference in the Base Prospectus, by virtue of this Supplement) of the 2010 Annual Report and the Registration Document:
 - 9.1 the sub-sections headed “History and Incorporation”, “Overview”, “Group Organisational Structure”, “Separation from the ABM AMRO Group” and “Risk Factors” in the section headed “Summary” shall be deleted in their entirety and replaced with the paragraphs headed the same set out in the Schedule to this Supplement; and
 - 9.2 the following documents incorporated by reference in the Base Prospectus shall, by virtue of this Supplement, no longer be so incorporated:
 - 9.2.1 the registration document of the Issuer dated 1 July 2010;
 - 9.2.2 the publicly available consolidated financial statements of RBS Holdings in respect of the financial years ended 31 December 2009, 31 December 2008 and 31 December 2007 respectively and the auditor’s reports for the respective years as included in the annual report for each of those financial years;
 - 9.2.3 the unaudited pro forma condensed consolidated financial information relating to RBS Holdings for the year ended 31 December 2009 as included in the press release announcing completion of the legal separation dated 1 April 2010;
 - 9.2.4 the terms of reference of the Audit Committee as set out in the Rules Governing the Supervisory Board’s Principles and Best Practices dated 29 April 2010;
 - 9.2.5 the publicly available press release in connection with the RBS Holdings first quarter 2010 financial results dated 9 June 2010; and
 - 9.2.6 the publicly available interim report in connection with the RBS Holdings financial results of the first half year of 2010, published on 31 August 2010.

- 10 A copy of this Supplement, the Base Prospectus and all other supplements thereto and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, the Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
- 11 If the documents which are incorporated by reference in the Base Prospectus by virtue of this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Base Prospectus by virtue of this Supplement.
- 12 To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Base Prospectus by virtue of this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) above will prevail.
- 13 Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (as supplemented at the date hereof) has arisen or been noted since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

SCHEDULE

History and Incorporation:

RBS N.V. is a public limited liability company incorporated under Dutch law on 7 February 1825. RBS N.V. is registered in the Trade Register of Amsterdam under number 33002587. RBS N.V.'s registered office is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS N.V. is a wholly-owned subsidiary of RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) ("**RBS Holdings**"), which is a public limited liability company incorporated under Dutch law on 30 May 1990. The registered office of RBS Holdings is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS Holdings has one subsidiary, RBS N.V. and RBS N.V. has various subsidiaries.

As used herein, the "**Group**" refers to RBS Holdings and its consolidated subsidiaries. The term "**RBSG**" refers to The Royal Bank of Scotland Group plc and the "**RBSG Group**" refers to RBSG and its subsidiaries consolidated in accordance with International Financial Reporting Standards. The term "**RBS**" refers to The Royal Bank of Scotland plc.

Overview:

The Issuer is a bank licensed and regulated by the Dutch Central Bank (De Nederlandsche Bank).

The Issuer operates on a significant scale across Europe, the Middle East and Africa (EMEA), the Americas and Asia. As at 31 December 2010, the Group had total consolidated assets of EUR 200 billion.

RBS Holdings and RBS N.V. form part of the RBSG Group. RBSG is the holding company of a large global banking and financial services group. Headquartered in Edinburgh, the RBSG Group operates in the United Kingdom, the United States and internationally through its three principal subsidiaries, RBS, National Westminster Bank Public Limited Company ("**NatWest**") and RBS N.V. Both RBS and NatWest are major United Kingdom clearing banks. In the United States, the RBSG Group's subsidiary Citizens 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.

Group Organisational Structure:

The Group comprises the following four segments:

- Global Banking & Markets (“**GBM**”): The GBM segment represents the business providing an extensive range of debt and equity financing, risk management and investment services as a leading banking partner to major corporations and financial institutions around the world. The GBM business within RBS Holdings is organised along four principal business lines: Global Lending, Equities, Short Term Markets & Funding and Local Markets.
- Global Transaction Services (“**GTS**”): GTS provides global transaction services, offering Global Trade Finance, Transaction Banking and International Cash Management.
- Central Items: The Central Items segment includes group and corporate functions, such as treasury, capital management and finance, risk management, legal, communications and human resources. Central Items manages the Group’s capital resources, statutory and regulatory obligations and provides services to the branch network.
- Non-Core Segment: The Non-Core segment contains a range of businesses and asset portfolios managed separately that the Group intends to run off or dispose of, in line with the RBSG Group strategy for Non-Core assets. It also includes the remaining assets and liabilities in RBS N.V. that have not yet been sold, wound down or alternatively transferred by the Consortium Members (as defined below), in which each of the Consortium Members has a joint and indirect interest.

Global Banking & Markets, Global Transaction Services and Central Items comprise the Group’s Core segments.

These RBS N.V. businesses are part of global business units of the RBS Group that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall business strategy of the RBSG Group. RBS Holdings N.V. has been restructured into Core and

Non-Core components. The RBSG Group expects to substantially run down or dispose of the businesses, assets and portfolios within the Non-Core division by 2013 and has completed the sales of businesses in Latin America, Asia, Europe and the Middle East.

Separation from the ABN AMRO Group:

On 17 October 2007, RFS Holdings B.V, which at the time was owned by RBSG, Fortis N.V., Fortis S.A./N.V., Fortis Bank Nederland (Holding) N.V. and Banco Santander, S.A. (“**Santander**”), completed the acquisition of ABN AMRO Holding N.V., which was renamed RBS Holdings N.V. on 1 April 2010 when the shares in ABN AMRO Bank N.V. were transferred to ABN AMRO Group N.V., a holding company for the interests of the Dutch State. This marked the substantial completion of the restructuring of the activities of ABN AMRO Holding N.V. in accordance with the agreement between RBSG, the Dutch State and Santander (the “**Consortium Members**”). RBS Holdings N.V. has one direct subsidiary, RBS N.V., a fully operational bank within the Group, which is independently rated and regulated by the Dutch Central Bank.

On 31 December 2010, the share capital of RFS Holdings B.V. was amended, such that approximately 98 per cent. of RFS Holdings’ issued share capital is now held by RBSG, with the remainder being held by Santander and the Dutch State. Ultimately it is expected that RFS Holdings B.V. will become a wholly-owned subsidiary of RBSG.

Risk Factors:

Risks relating to the Issuer

Certain factors may affect the Issuer’s ability to fulfil its obligations under the Securities, including:

- The Group is reliant on the RBSG Group.
- The Group’s businesses, earnings and financial condition have been and will continue to be affected by the global economy and instability in the global financial markets.
- An extensive restructuring and balance sheet reduction programme of the RBSG Group is ongoing and may adversely affect the Group’s business, results of operations,

financial condition, capital ratios and liquidity.

- Lack of liquidity is a risk to the Group's business and its ability to access sources of liquidity has been, and will continue to be, constrained.
- The financial performance of the Group has been materially affected by deteriorations in borrower credit quality and it may continue to be impacted by any further deteriorations including as a result of prevailing economic and market conditions, and legal and regulatory developments.
- The actual or perceived failure or worsening credit of the Group's counterparties has adversely affected and could continue to adversely affect the Group.
- The Group's earnings and financial condition have been, and its future earnings and financial condition may continue to be, materially affected by depressed asset valuations resulting from poor market conditions.
- Changes in interest rates, foreign exchange rates, credit spreads, bond, equity and commodity prices, basis, volatility and correlation risks and other market factors have significantly affected and will continue to affect the Group's business and results of operations.
- The Group's borrowing costs, its access to the debt capital markets and its liquidity depend significantly on its credit ratings.
- The Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements.
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.
- The Group operates in markets that are highly competitive and consolidating. If the Group is unable to perform effectively, its business and results of operations will be adversely affected.

- As a condition to the RBSG Group receiving HM Treasury support, the Group is prohibited from making discretionary coupon payments on, and exercising call options in relation to, certain of its existing hybrid capital instruments, which may impair the Group's ability to raise new capital through the issuance of Securities.
- The Group could fail to attract or retain senior management, which may include members of the Group's Supervisory Board and Managing Board, or other key employees, and it may suffer if it does not maintain good employee relations.
- Each of the Group's businesses is subject to substantial regulation and oversight. Significant regulatory developments could have an adverse effect on how the Group conducts its business and on its results of operations and financial condition.
- The Group is and may be subject to litigation and regulatory investigations that may impact its business.
- The Group may be required to make further contributions to its pension schemes if the value of pension fund assets is not sufficient to cover potential obligations.
- The Group is subject to enforcement risks relating to the United States Department of Justice's criminal investigation of its dollar clearing activities.
- The legal demerger of ABN AMRO Bank N.V. (as it was then named) has resulted in a cross liability that changes the legal recourse available to investors.
- Operational risks are inherent in the Group's operations.
- The Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates.
- The Group's operations have inherent reputational risk.
- The Group's business and earnings may be adversely affected by geopolitical conditions.
- The recoverability and regulatory capital treatment of certain deferred tax assets recognised by the Group depends on the

Group's ability to generate sufficient future taxable profits and there being no adverse changes to tax legislation, regulatory requirements or accounting standards.

- In addition to the risk factors described above, the Group is also subject to additional risks related to the entry by RBSG Group into the asset protection scheme and the two back to back contracts entered into by RBS in connection with certain assets and exposures of RBS N.V. and its wholly-owned subsidiaries.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities including (i) the value of the Securities may fluctuate based on the value of the Underlying, (ii) there may not be a secondary market in the Securities, (iii) holders of the Securities have no ownership interest in the Underlying and (iv) there may be limitations on a holder's right to exercise the Securities or there may be delays in effecting settlement, see section Risk Factors in this Base Prospectus.

10 March 2011

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



THE ROYAL BANK OF SCOTLAND N.V.

(Registered at Amsterdam, The Netherlands)

(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 10 March 2011 (the “**Supplement**”) constitutes a supplementary prospectus to the documents set out below which have been prepared in connection with the LaunchPAD Programme established by Royal Bank of Scotland N.V. (the “**Issuer**”). Terms defined in the Base Prospectus (as defined below) have the same meaning when used in this Supplement.
2. This Supplement is the fifth supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the “**Base Prospectus**”) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 1 July 2010.
3. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
4. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.
5. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
6. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the

case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

7. The Issuer proposes to amend the **General Conditions** Section beginning on page 70 of the Base Prospectus, by deleting the Substitution provision in Section 8 on page 75 and replacing it with the text below. The full, amended text of the General Conditions Section, is set out in Annex A, attached hereto.

8. SUBSTITUTION

- (a) Substitution of Issuer. The Issuer may at any time without the consent of the Holders substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities:

- (A) The Royal Bank of Scotland plc, registered in Scotland under No. 90312, with its registered office at 36 St Andrew Square, Edinburgh EH2 2YB, (“**RBS Plc**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (B) any entity which (i) acquires all or substantially all of the undertaking and/or assets of the Issuer or (ii) acquires the beneficial ownership of the whole of the issued voting stock and/or share capital of the Issuer or (iii) into which the Issuer is amalgamated, merged or reconstructed and where the Issuer is not the continuing company (such entity, a “**Successor in Business**” or the “**Substitute**”) subject to the Issuer having given at least 30 days prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (C) the holding company of the Issuer (the holding company currently being The Royal Bank of Scotland Group plc, company number SC045551) (the “**Holding Company**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (D) any entity other than RBS Plc, a Successor in Business or the Holding Company (also, the “**Substitute**”), subject to: the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; and the Issuer or RBS Plc having issued a legal, valid and binding guarantee of the obligations and liabilities of the Substitute under the Securities for the benefit of each and any of the Holders;

and in each case subject to all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect.

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

- (b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.
8. Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, the Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
 9. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectuses by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectuses, the statements in (a) above will prevail.
 10. Save as disclosed in this Supplement and any supplement to the Base Prospectus previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

ANNEX A

CONDITIONS: GENERAL CONDITIONS

The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions or the applicable Final Terms and, if not so defined, shall be inapplicable. References in these General Conditions to interest and Coupons (and related expressions) shall be ignored in the case of Securities which do not bear interest. References in these General Conditions to the Conditions shall mean these General Conditions and, in relation to any Securities, the Product Conditions applicable to those Securities.

2. STATUS

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

3. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to

the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

- (a) Notices to Holders shall be given by the delivery of the relevant notice to the Clearing Agent(s) with an instruction from the Issuer to the Clearing Agent(s) to communicate such notice to the Holders. The Issuer shall also ensure that notices are duly published, to the extent required, in a manner which complies (i) with the rules of any stock exchange or other relevant authority on which the Securities are for the time being listed or in the country in which such Securities have been admitted to trading and (ii) with any relevant legislation. In addition, for Securities listed on the SIX Swiss Exchange Ltd, the Issuer shall have the right but (without prejudice to the previous sentence) shall not be obliged to publish notices in electronic form on the internet website of the SIX Swiss Exchange Ltd) http://www.six-exchange-regulation.com/publications/communiqués/official_notices_en.html if and so long as the Securities are listed on the SIX Swiss Exchange Ltd.
- (b) Any such notice issued pursuant to General Condition 4(a) by being delivered to the Clearing Agent(s) will be deemed to have been given on the date of the delivery of such notice to the Clearing Agent(s). Any such notice issued pursuant to General Condition 4(a) by being published will be deemed to have been given on the date of the first publication (for the avoidance of doubt, such notice having been published by any valid means) or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

5. HEDGING DISRUPTION

- (a) Notification. The Issuer shall as soon as reasonably practicable give instructions to the Calculation Agent to notify the Holders in accordance with General Condition 4(a): (i) if it determines that a Hedging Disruption Event has occurred; and (ii) of the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to General Condition 5(c).
- (b) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if the Issuer, acting in good faith and in a commercially reasonable manner, determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer or any Hedge Provider wholly or partially to (i) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of a relevant hedging transaction (a “**Relevant Hedging Transaction**”) or asset it deems necessary, appropriate or desirable to hedge the Issuer’s obligations in respect of the

Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). The reasons for such determination by the Issuer may include, but are not limited to, the following:

- (i) the Issuer or any Hedge Provider will, whether directly or indirectly, incur a material increase (as compared with circumstances existing on the Issue Date) in the amount of tax, duty, expense (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or fee (other than brokerage commissions) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or the Hedge Provider shall not be considered for the purposes of this sub-paragraph (i); or
- (ii) any material illiquidity in the market for, or any mandatory redemption in whole or in part of, the relevant instruments (the “**Disrupted Instrument**”) which from time to time are included in the reference asset to which the Securities relate; or
- (iii) a change in any applicable law or regulation (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority); or
- (iv) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or
- (v) 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.

In the Conditions:

“**Hedge Position**” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in reference assets to which the Securities relate, securities, options, futures, derivatives or foreign exchange, (ii) securities lending transactions or (iii) other instruments or arrangements (however described) by the Issuer in order to hedge the Issuer’s risk of issuing, and performing its obligations with respect to, the Securities; and

“**Hedge Provider**” includes but is not limited to the Issuer, any associate, subsidiary or affiliate thereof and/or The Royal Bank of Scotland plc and/or any other party(ies) and/or any

special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer's hedging arrangements in respect of the Securities.

- (c) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, howsoever expressed, on a relevant Interest Payment Date (if applicable), any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4;
 - (ii) make an adjustment in good faith to the relevant reference asset by removing the Disrupted Instrument at its fair market value (which may be zero). Upon any such removal the Issuer may: (A) hold any notional proceeds (if any) arising as a consequence thereof and adjust the terms of payment and/or delivery in respect of the Securities; or (B) notionally reinvest such proceeds in other reference asset(s) if so permitted under the Conditions (including the reference asset(s) to which the Securities relate);
 - (iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such adjustment will in no way affect the Issuer's obligations to make payment to the Holders not less than the minimum

assured return of principal and/or interest or coupons on the relevant Settlement Date or Maturity Date, or Interest Payment Date, as applicable.

- (d) The Issuer may also make adjustments to the Conditions if it determines that an event has occurred which, whilst not a Hedging Disruption Event or other disruption event as specified in Product Condition 4, is likely to have a material adverse effect on the Issuer's Hedge Position. Where the Issuer makes adjustments to the Conditions pursuant to this General Condition 5(d), the Issuer shall notify the Holders thereof and shall offer to purchase from Holders for a period of not less than 10 days any Securities held by them at their fair market value (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into account the proposed adjustment) less the cost to the Issuer of unwinding any related hedging arrangements.

6. PURCHASES, FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

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

7. DETERMINATIONS AND MODIFICATIONS

- (a) Determinations.
 - (i) In making any determinations and calculations under these Conditions, the Issuer and the Calculation Agent shall act at all times in good faith and in a commercially reasonable manner. All such determinations and calculations by the Issuer and the Calculation Agent shall, in the absence of manifest error, be final and binding.
 - (ii) Whilst it is intended that the Issuer and the Calculation Agent will employ the methodology described in the Conditions to make determinations in respect

of the Securities, no assurance can be given that market, regulatory, judicial or fiscal circumstances or, without limitation, any other circumstances will not arise that would necessitate a modification or change in such methodology in order that the Securities replicate as closely as possible investments in the assets underlying the Securities and its components. The Issuer and the Calculation Agent may make any such modification or change to such methodology that it considers necessary to reflect such circumstances.

- (iii) Calculations made by the Issuer or the Calculation Agent in respect of the Securities shall be made on the days specified herein; however, notwithstanding the foregoing or anything else contained in these Conditions, should the Issuer or the Calculation Agent determine that in order to give effect to the methodology described in these Conditions it is necessary to make calculations on a day or days other than that specified, then each of the Issuer and the Calculation Agent is permitted to make such calculations on such calendar day or days as it shall determine.
 - (iv) Due to timing considerations, process requirements and other matters that would, in the opinion of the Issuer or the Calculation Agent, be relevant in relation to the implementation of asset allocation models, the Issuer or the Calculation Agent may need to make appropriate adjustments to the methodology set out in the terms and conditions as it considers necessary in order to reflect the timing and amounts that would be applicable were the Issuer or the Calculation Agent physically implementing the methodology set out in the Securities.
- (b) Modifications. The Issuer may, without the consent of the Holders or any of them, modify any provision of the Conditions which is: (i) of a formal, minor or technical nature; (ii) made to correct a manifest error; or (iii) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

8. SUBSTITUTION

- (a) Substitution of Issuer. The Issuer may at any time without the consent of the Holders substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities:

- (A) The Royal Bank of Scotland plc, registered in Scotland under No. 90312, with its registered office at 36 St Andrew Square, Edinburgh EH2 2YB, (“**RBS Plc**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (B) any entity which (i) acquires all or substantially all of the undertaking and/or assets of the Issuer or (ii) acquires the beneficial ownership of the whole of the issued voting stock and/or share capital of the Issuer or (iii) into which the Issuer is amalgamated, merged or reconstructed and where the Issuer is not the continuing company (such entity, a “**Successor in Business**” or the “**Substitute**”) subject to the Issuer having given at least 30 days prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (C) the holding company of the Issuer (the holding company currently being The Royal Bank of Scotland Group plc, company number SC045551) (the “**Holding Company**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
- (D) any entity other than RBS plc, a Successor in Business or the Holding Company (also, the “**Substitute**”), subject to: the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; and the Issuer or RBS plc having issued a legal, valid and binding guarantee of the obligations and liabilities of the Substitute under the Securities for the benefit of each and any of the Holders;

and in each case subject to all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect.

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

- (b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

9. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay any tax, duty or charge in connection with the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

10. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have been given to Holders in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued. This General Condition will not apply to Securities issued in dematerialised form.

11. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:
- (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;

- (ii) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a National Currency Unit (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and
 - (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (b) **Adjustment to Conditions.** The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) **Euro Conversion Costs.** Notwithstanding General Condition 11(a) and/or General Condition 11(b), none of the Issuer, the Calculation Agent nor any Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.
- (d) **Definitions Relating to European Economic and Monetary Union.** In this General Condition, the following expressions have the meanings set out below.

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

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

“**Treaty**” means the treaty establishing the European Community, as amended.

12. AGENTS

- (a) **Principal Agent and Agents.** The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the “**Principal Agent**”) shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction and provided further that, if and to the extent that any of the Securities are in registered form, there shall be a Registrar and a Transfer Agent (which may be the Registrar), if so specified in the relevant Product Conditions. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) **Calculation Agent.** The Issuer or such other Calculation Agent as specified in the applicable Final Terms, shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor calculation agent or assignee as approved by the Issuer) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

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

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

13. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. This General Condition will not apply to Securities issued in dematerialised form.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

15. GOVERNING LAW AND JURISDICTION

(a) The Securities and any non-contractual obligations arising out of or in connection with the Securities, are governed by and shall be construed in accordance with English law.

(b) The courts of England have exclusive jurisdiction to settle any dispute (including any dispute relating to any non-contractual obligations) (a “**Dispute**”) arising from or in connection with the Securities).

(c) Subparagraph (b) is for the benefit of the Holders only. As a result, nothing prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions.

(d) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

16. METHOD OF PAYMENT

For purposes of any payment on a Security (other than an equity certificate issued in registered form), the Clearing Agents may not be United States persons, as defined for United States Federal income tax purposes, and their respective specified offices may not be located

in the United States or any of its possessions. No payment on a Security (other than an equity certificate issued in registered form) shall be made by transfer to an account in the United States (including its possessions) or by cheque mailed to an address in the United States (including its possessions).

17. COMMISSIONS, FEES AND REBATES

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

- (a) The Issuer may pay to a distributor, sales agent or other intermediary fees or commissions. Such fees or commissions are generally required to be disclosed by distributors, sales agents or intermediaries which, in each case, are EEA investment firms or credit institutions to their clients. Each potential investor in the Securities should satisfy itself as to the amount of any fees or commissions received by intermediaries;
- (b) The Issuer may receive or pay management or other fees from or to third parties. Where such fees are payable, further details of them will be set out in the relevant Final Terms; and
- (c) The Issuer may make payments to or receive the benefit of generic commission, discount and rebate arrangements from Hedge Providers and other transaction counterparties. Such arrangements will be as agreed between the Issuer and the third parties.

The Issuer reserves the right to retain any amounts received without any obligation to pass the benefit of the rebates to investors in the Securities.

18. EVENTS OF DEFAULT

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) default is made for more than 30 days in the payment of interest or principal in respect of the Securities; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Securities and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (c) an order is made or an effective resolution is passed for the winding up of the Issuer (excluding a solvent winding up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation in connection with which The Royal Bank of Scotland Group plc or any of its subsidiaries assumes the obligations of the Issuer as principal debtor in respect of the Securities),

then any Holder may, by written notice to the Issuer at the specified office of the Principal Agent, effective upon the date of receipt thereof by the Principal Agent, declare the Security held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as defined below), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

“Early Redemption Amount” means an amount calculated by the Calculation Agent as the fair market value of the Security immediately prior to such Event of Default. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, howsoever expressed, on a relevant Interest Payment Date (if applicable), any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent.

1 December 2010

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



THE ROYAL BANK OF SCOTLAND N.V.

(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 1 December 2010 (the **Supplement**) constitutes the fifth supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010, as supplemented on 6 July 2010, 1 September 2010, 4 November 2010 and 23 November 2010.
2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
3. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.
4. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.
5. On 1 December 2010, the Issuer and RBS Holdings N.V. published a supplement to their Registration Document, a copy of which supplement has been approved by and filed with the AFM (the **RD Supplement**). By virtue of the RD Supplement:
 - (a) the following risk factors were deemed to be deleted from the Registration Document:
 - (i) the risk factor headed "*The financial services industry is subject to extensive regulation, which is undergoing major changes*" on pages 7 and 8 of the Registration Document;

- (ii) the risk factor headed “*RBS Holdings N.V. Group’s business performance could be adversely affected if its capital is not managed effectively or if there are changes to capital adequacy and liquidity requirements*” on pages 10 and 11 of the Registration Document; and
 - (iii) the risk factor headed “*The legal demerger and legal separation process creates additional risks for RBS Holdings N.V. Group's business and stability*” on page 14 of the Registration Document; and
- (b) the risk factors set out in the Schedule to this Supplement were incorporated into, and form part of, the Registration Document.
6. By virtue of this Supplement, the RD Supplement is incorporated into and forms part of the Base Prospectus (along with the Registration Document as supplemented to the date hereof).
7. Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
8. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.
9. Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.
10. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

The Royal Bank of Scotland N.V.

SCHEDULE

Capitalised terms used in this Schedule but not defined herein shall have the meanings given to such terms in the Registration Document.

The actual or perceived failure or worsening credit of RBS Holdings N.V. Group's counterparties has adversely affected and could continue to adversely affect RBS Holdings N.V. Group

RBS Holdings N.V. Group's ability to engage in routine funding transactions has been and will continue to be adversely affected by the actual or perceived failure or worsening credit of its counterparties, including other financial institutions and corporate borrowers. RBS Holdings N.V. Group has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. As a result, defaults by, or even the perceived creditworthiness of or concerns about, one or more corporate borrowers, financial services institutions, sovereign counterparties or the financial services industry generally, have led to market-wide liquidity problems, losses and defaults and could lead to further losses being incurred by RBS Holdings N.V. Group or by other institutions. Many of these transactions expose RBS Holdings N.V. Group to credit risk in the event of default of RBS Holdings N.V. Group's counterparty or client and RBS Holdings N.V. Group does have significant exposures to certain individual counterparties (including counterparties in certain weakened sectors and markets). In addition, RBS Holdings N.V. Group's credit risk is exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to RBS Holdings N.V. Group, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced in 2008 and 2009. Any such losses could have a material adverse effect on RBS Holdings N.V. Group's results of operations and financial condition or result in a loss of value in securities issued by RBS Holdings N.V. or RBS N.V.

RBS Holdings N.V. Group's business performance could be adversely affected if its capital is not managed effectively or as a result of changes to capital adequacy and liquidity requirements

Effective management of RBS Holdings N.V. Group's capital is critical to its ability to operate its businesses, to grow organically and to pursue its strategy of returning to standalone strength. RBS Holdings N.V. Group is required by regulators in The Netherlands, the United Kingdom, the United States and in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources. The maintenance of adequate capital is also necessary for RBS Holdings N.V. Group's financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

On 17 December 2009, the Basel Committee on Banking Supervision (the "**Basel Committee**") proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". The Basel Committee published its economic impact assessment on 18 August 2010 and on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. The Basel Committee's package of reforms includes increasing the minimum common equity requirement from 2% (before the application of regulatory adjustments) to 4.5% (after the application of stricter regulatory adjustments). The total Tier 1 capital requirement, which includes common equity and other qualifying financial instruments, will increase from 4% to 6%. In addition, banks will be required to maintain, in the form of common equity (after the application of deductions), a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirements to 7%. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer within a range of 0% to 2.5% of common equity (or other fully loss absorbing capital) is to be applied as an extension of the conservation buffer. The capital requirements are to be supplemented by a leverage ratio, and a liquidity coverage ratio and a net stable funding ratio will also be introduced. The Basel Committee has confirmed that work continues to ensure that systemically important banks have loss absorbing capacities beyond the above standards. The Basel Committee has stated that measures may include capital surcharges, contingent capital and bail-in debt.

Such measures would be in addition to proposals for the write-off of Tier 1 and Tier 2 debt (and its possible conversion into ordinary shares) if a bank becomes non-viable. The proposed reforms are expected to be implemented by the end of 2012, however the requirements are subject to a series of transitional arrangements and will be phased in over a period of time, to be fully effective by 2019.

These and other future changes to capital adequacy and liquidity requirements in the jurisdictions in which it operates, including the European Commission's public consultation on further possible changes to the Capital Requirements Directive launched in February 2010, may require RBS Holdings N.V. Group to raise additional Tier 1 (including Core Tier 1) and Tier 2 capital and could result in existing Tier 1 and Tier 2 securities issued by RBS Holdings N.V. Group ceasing to count towards RBS Holdings N.V. Group's regulatory capital, either at the same level as present or at all. If RBS Holdings N.V. Group is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to further reduce the amount of its risk-weighted assets and engage in the disposal of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to RBS Holdings N.V. Group.

Any change that limits RBS Holdings N.V. Group's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions, a growth in unfunded pension exposures or otherwise) or to access funding sources, could have a material adverse impact on RBS Holdings N.V. Group's financial condition and regulatory capital position or result in a loss of value in securities issued by RBS Holdings N.V. or RBS N.V.

Each of RBS Holdings N.V. Group's businesses is subject to substantial regulation and oversight. Any significant regulatory developments could have an effect on how RBS Holdings N.V. Group conducts its business and on its results of operations and financial condition

RBS Holdings N.V. Group is subject to financial services laws, regulations, corporate governance requirements, administrative actions and policies in each location in which it operates. All of these are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention, changes to the regulations governing financial institutions and reviews of the industry, including nationalisations in the United States, the United Kingdom and other European countries during 2008 and 2009. As a result of these and other ongoing and possible future changes in the financial services regulatory landscape (including any requirements imposed by virtue of RBS Holdings N.V. Group's participation in government or regulator-led initiatives), RBS Holdings N.V. Group expects to face greater regulation in The Netherlands, the United Kingdom, the United States and other countries in which it operates, including throughout the rest of Europe.

Although it is difficult to predict with certainty the effect that recent regulatory developments will have on RBS Holdings N.V. Group, the enactment of legislation and regulations may result in an increase in RBS Holdings N.V. Group's capital and liquidity requirements and costs and have an adverse impact on how RBS Holdings N.V. Group conducts its business, on the products and services it offers, on the value of its assets and on its results of operations and financial condition or result in a loss of value in securities issued by RBS Holdings N.V. and RBS N.V.

Other areas in which, and examples of where, governmental policies and regulatory changes could have an adverse impact include, but are not limited to:

- the monetary, interest rate, capital adequacy, liquidity, balance sheet leverage and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which RBS Holdings N.V. Group operates, increase the costs of doing business in those markets or result in a reduction in the credit ratings of members of RBS Holdings N.V. Group;

- changes in regulatory requirements relating to capital and liquidity or prudential rules relating to the capital adequacy framework;
- other general changes in the regulatory requirements, such as the imposition of onerous compliance obligations, restrictions on business growth or pricing, new levies or taxes or fees, requirements in relation to the structure and organisation of RBS Holdings N.V. Group and requirements to operate in a way that prioritises objectives other than shareholder value creation;
- a separation of retail banking from investment banking and restrictions on proprietary trading and similar activities within a commercial bank and/or a group which contains a commercial bank;
- employee remuneration;
- changes to financial reporting standards;
- changes in competition and pricing environments;
- further developments in financial reporting, corporate governance, corporate structure, conduct of business and employee compensation;
- differentiation among financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes;
- transferability and convertibility of currency risk;
- expropriation, nationalisation and confiscation of assets;
- changes in legislation relating to foreign ownership; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for RBS Holdings N.V. Group's products and services.

The legal demerger and legal separation process and the implementation of the extensive restructuring of the businesses, operations and assets within RBS Holdings N.V. Group creates additional risks for the business and stability of RBS Holdings N.V. Group and the value of securities in issue by RBS Holdings N.V. and RBS N.V.

RBS Holdings N.V. Group is going through a period of transition and change, which poses additional risks to RBS Holdings N.V. Group's business including (i) RBS Holdings N.V. Group's ability to manage the break up of the former ABN AMRO in a controlled manner while minimising the loss of business, (ii) RBS Holdings N.V. Group's ability to retain key personnel during the transition and (iii) enhanced operational and regulatory risks during this period. During this period of transition and change and as a result of the legal demerger and legal separation, RBS N.V. and the new ABN AMRO Bank will remain interdependent with respect to certain business areas, for which they will inter alia provide certain services to each other.

In addition, The Royal Bank of Scotland Group plc and its subsidiaries consolidated in accordance with International Financial Reporting Standards is in the course of implementing an extensive restructuring of its businesses, operations and assets, including those of its subsidiaries and subsidiary undertakings, and may, in the future, consider making further changes to its business, operations, structure and assets. Any future restructuring may impact issues of securities by RBS Holdings N.V. and RBS N.V. and may result in changes to their businesses, operations and assets. Although it is difficult to determine the impact that such changes may have (if any) on RBS Holdings N.V. or RBS N.V., these changes may have a material adverse impact on their business, financial condition, results of operations and prospects and RBS Holdings N.V.'s and RBS N.V.'s credit ratings, and may also negatively impact the value of their securities in issue.

23 November 2010

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



THE ROYAL BANK OF SCOTLAND N.V.
(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 23 November 2010 (the “**Supplement**”) constitutes a supplementary prospectus to the documents set out below which have been prepared in connection with the LaunchPAD Programme established by Royal Bank of Scotland N.V. (the “**Issuer**”). Terms defined in the Base Prospectus (as defined below) have the same meaning when used in this Supplement.
2. This Supplement is the fourth supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the “**Base Prospectus**”) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) on 1 July 2010.
3. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
4. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.
5. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
6. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

7. The following amendments to the Base Prospectus shall be made, in order to ensure that the Base Prospectus complies with the Swiss exchange listing rules, as specified below in italic text:

(i) The **cover page** shall be amended by the addition of the following as a final paragraph:

“The Securities do not constitute units of collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and are not subject to the approval of, or supervision by the Swiss Financial Market Supervisory Authority (“FINMA”). Holders of the Securities are exposed to the credit risk of the Issuer.”

(ii) **Page 1** of the Base Prospectus shall be amended by the addition of the following paragraph:

“This Base Prospectus will be filed with the SIS Swiss Exchange Ltd and application may be made to list the Securities under the Programme on the SIX Swiss Exchange Ltd. In respect of Securities to be listed on the SIX Swiss Exchange Ltd, the Programme, together with the Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange Ltd.”

(iii) In the **Risk Factors Section** beginning on page 18 under the heading **“The Securities may not be a suitable investment for all investors”**, the following section (f) will be added:

(f) NOT consider that the issue of Securities linked to a particular Underlying is a recommendation by the Issuer to invest (whether directly or indirectly) in that Underlying or any of its constituent elements. The Issuer and/or its affiliates may make investment decisions for themselves which differ from those that a potential investor would make by investing in the Securities. In particular, investment decisions of the Issuer and/or its affiliates are based on their current economic circumstances, overall credit exposure, risk tolerance and economic conditions, which are subject to change. The Issuer is not required to hold the Underlying (or its constituent elements) as a hedge and it may chose not to do so.

(iv) the **Responsibility Statement** on page 29 shall be amended by the words “as completed and/or amended by the Final Terms” so as to read:

“The Issuer accepts responsibility for the information contained in this Base Prospectus, as completed and/or amended by the Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.”

(v) In the **Section “Essential Characteristics of the Issuer”** beginning on page 30 the following sections will be added:

“Issued Financial Instruments on the Issuer’s securities

At the time hereof, there are no convertible bonds or options on the issuer's securities (including employee options) outstanding which have been issued by the Issuer or by group companies of the Issuer.

Equity Securities

All the Issuer's ordinary shares are held by RBS Holdings N.V. and are not listed or traded.”

(vi) the **Section “Documents Incorporated by Reference”** shall be amended as follows:

- (a) the words “*together with the documents incorporated therein,*” shall be added so as to read:

“The Issuer’s registration document dated 1 July 2010 (the “Registration Document”) prepared in accordance with Article 5(3) of the Prospectus Directive was published prior to the date of this Base Prospectus, has been approved by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) in its capacity as competent authority under the Act on Financial Supervision (Wet op het financieel toezicht (Wft) 2007) (the “Competent Authority”) and shall, together with the documents incorporated therein, be incorporated in, and form part of, this Base Prospectus.”

And the words “*among other documents incorporated into the Registration Document by reference,*” so as to read:

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the AFM shall, among other documents incorporated into the Registration Document by reference, be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (b) The following section F shall be added:

f) the publicly available interim report in connection with the RBS Holding N.V. financial results of the first half year of 2010, published on 31 August 2010.

- (c) The following final paragraph shall be added:

“Material Change

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

- (vii) In the Section headed “**Taxation**” beginning on page 36 the following section shall be added of the Base Prospectus:

7. *Switzerland*

“The following is a general summary of the Issuer’s understanding of certain Swiss tax consequences in relation to dealings in the Securities according to the currently valid Swiss tax laws and the Swiss tax authorities’ practice as of the date of publication of the LaunchPAD programme. This outline is a summary and not exhaustive and does not take into consideration possible special circumstances of some investors. Tax laws and the tax authorities’ practice may undergo changes (or their interpretation or application may change) and their validity might also be retroactive.

Potential investors should consult their own tax advisors, legal advisers or financial consultants regarding their personal tax situation when entering into transactions with reference to the Securities.

- (a) General Information. The Swiss tax treatment of notes, bonds and other financial instruments are primarily regulated pursuant to the conditions set forth in the Circular Letter no. 15 of the Federal Tax Administration regarding the treatment of Bonds and Derivatives Financial Instruments for the purpose of the Federal Income Tax, Federal Withholding Tax and Federal Stamp Duties, as published on 7 February 2007. These rules are usually also applied by the Cantonal and Communal tax authorities. It should be noted that the Swiss tax terms “notes” and “bonds” are not consistent with the corresponding terms stipulated by Swiss security laws and the international or foreign understanding of such terms.*
- (b) Swiss Stamp Taxes. The issuance of Securities issued by a foreign resident issuer is in general not subject to the Swiss Issue Stamp Tax (“Emissionsabgabe”). Secondary market transactions of Securities which are considered as (debt) financing instruments, share-like products, fund-like products and Low Exercise Price Options (LEPO) on shares with maturity more than one year and the issuance of fund-like Securities issued by a foreign resident issuer are subject to the Swiss Securities Transfer Tax, provided that a Swiss securities dealer (“Effekthändler”), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties (“Stempelabgabengesetz”), is a party to the Securities transaction or acts as an intermediary thereto. Certain exemptions may, inter alia, apply with regard to institutional investors such as mutual funds, life insurance companies and social security institutions. Pure derivatives for Swiss tax purposes like options and futures do normally not classify as taxable securities and are therefore not subject to Swiss Issue Stamp Tax and Swiss Securities Transfer Tax. If upon the exercise or redemption of a Security an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax.*
- (c) Swiss Withholding Tax. Securities issued by a foreign resident issuer are in general not subject to Swiss withholding tax. Payments or credit of (deemed) interest or dividends on a Security issued by a Swiss resident issuer may be subject to Swiss federal withholding tax at a rate of 35 %. This may apply likewise to payments or credits of yield from Securities which classify for tax purposes as fund-like products. The holder of a Security who is resident in Switzerland may be entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, subject to conditions being met. A non Swiss resident holder of a Security may be able to claim a full or partial refund of the Swiss federal withholding tax if such a holder is entitled to claim benefits with regard to such a payment of a double taxation treaty between Switzerland and his or her country of residence.*
- (d) Swiss Income Tax Treatment for Securities Held by Private Investors (Individuals) with Tax Residence in Switzerland as Part of their Private Assets. Payments or credits received by a holder of a Security, which are considered in a Swiss tax perspective as dividends or interests, are subject to income tax. Gains or losses realised upon a sale or other disposition by individuals with tax residence in Switzerland holding a Security as part of their private assets (private capital gain or losses) are in general not subject to Swiss Income Tax and are not deductible from taxable income respectively. However, capital gains may be subject to income taxation, if a Security qualifies as predominant one-time interest paying bond. Also gains or losses realised by buying or*

selling of pure derivatives for Swiss tax purposes (options and futures) are not subject to income tax as they are considered as tax-exempt capital gains or losses. Whether a Security generates taxable income (dividend and interest) or tax-exempt capital gains is depending on certain features of the Security (1-delta pay-off, reverse convertible, guaranteed coupon payments or capital protection etc.), on the underlying of the Security and on the maturity of the Security. Some Securities may be divided into taxable bonds and a tax-exempt option (or combinations of options) provided that the Security is, for Swiss tax purposes, made transparent by the issuer. A Security is considered transparent if the value on issuance of its bond and its option components can be determined separately. Under the condition of transparency, the option premium paid by the issuer is exempt from income taxation (where otherwise applicable); taxation is limited to the interest of the bond part which would have been paid for an investment in a comparable straight bond of the same issuer with a similar term and the same currency at market conditions. If the interest part of the Security is paid as a one-time compensation, the so-called "modifizierte Differenzbesteuerung" may apply in each case of pre-maturity sale or redemption of the Security. If a Security is not made transparent for Swiss tax purposes (only if the security needs to be transparent for Swiss tax purposes) the total payment to the investor (except the repayment of the invested capital) could be considered as taxable income.

- (e) Swiss Income Tax Treatment for Securities Held by Swiss Resident Entities or Individuals as Part of Business Assets. Income of any kind realised from Securities as part of business assets of individuals (including deemed securities dealers for Swiss tax purposes) or entities in Switzerland are subject to personal income tax or corporate income tax respectively as part of their overall net income.*
- (f) Wealth Taxation of Securities Held by Private Investors (Individuals) with Tax Residence in Switzerland. The market value of the Securities may be subject to wealth tax levied on overall net wealth of individuals with tax residence in Switzerland, regardless of whether the Securities are held as part of their private or business assets.*
- (g) EU Savings Tax. On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopts measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement came into force as of 1 July 2005. On the basis of this agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid by a paying agent within Switzerland to an individual resident in an EU member state. The withholding tax is withheld at a rate of 15 % for the first three years beginning with 1 July 2005, 20 % for the next three years and 35 % thereafter, with the option of such an individual to have the paying agent and Switzerland provide to the tax authorities of the Member State details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, provided that that certain conditions are met. Securities issued under this programme may be subject to EU Savings Tax. The qualification regarding "in scope" or "out of scope" of the EU Savings Tax is depending on certain features of the Security and on the underlying of the Security."*

(viii) In the **Section headed "Selling Restrictions"** beginning on page 48 the following wording shall be added:

“SWITZERLAND

Securities issued under this Programme which are not listed on SIX Swiss Exchange Ltd. do not qualify for public distribution in or from Switzerland according to Article 5 of the Swiss Federal Act on Collective Investment Schemes. Accordingly, such Securities may not be publicly distributed in or from Switzerland and neither this Programme, any Final Terms nor any marketing material relating to the Securities may be distributed in connection with such distribution, unless a special simplified prospectus is prepared setting forth any and all information which may be required to be disclosed in a simplified prospectus pursuant to Art. 5 of the Swiss Federal Act on Collective Investment Schemes and any implementing ordinance or other applicable act or regulation or self-regulation in the Final Terms or a separate document (the "Simplified Prospectus"). Any Term Sheet prepared shall be subject to the Final Terms and the Simplified Prospectus, if any, for the relevant Securities. If no Simplified Prospectus is prepared, the Securities may only be offered and the Programme, any Final Terms or any marketing material may only be distributed in or from Switzerland to qualified investors according to the applicable provisions of the Collective Investment Scheme Act ("CISA") in such a way that there is no public marketing or offering in or from Switzerland as defined pursuant to the most restrictive interpretation of the applicable Swiss laws and regulations.”

(ix) In the section headed “**General Information**” the following line shall be added

(e) all documents incorporated herein by reference;

(x) At the section of the General Conditions, **General Condition 4 (a)** ‘Notice’ the following wording will be added:

“In addition, for Securities listed on the SIX Swiss Exchange Ltd, the Issuer shall have the right but (without prejudice to the previous sentence) shall not be obliged to publish notices in electronic form on the internet website of the SIX Swiss Exchange Ltd) http://www.six-exchange-regulation.com/publications/communiqués/official_notices_en.html if and so long as the Securities are listed on the SIX Swiss Exchange Ltd.”

(xi) The **Definitions** in each set of Product Conditions as follows:

The definition of “**Agent**” shall be amended to include the wording:

“and/or The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland (the “Swiss Agent”)”

So as to read:

“Agent” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, and/or The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, 8022 Zurich, Switzerland (the “Swiss Agent”), each acting through its specified office and together, the “Agents”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

(xii) the sections where mentioned in **each set of Product Conditions**, relating to: (1) Notice (2) Verification and (3) Determinations shall be amended by adding ‘*or the Swiss Agent*’ after the Principal Agent;

(xiii) The **Final Terms** shall be amended as follows:

- (1) The following wording shall be added to the cover page of the relevant Final Terms:

“[Securities with Rollover feature admitted to trading on Scoach Switzerland Ltd. and listed on SIX Swiss Exchange Ltd only :these Securities provide for a dynamic structure with regard to an adjustment of the Underlying [Specify Other]”

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

- (2) The following wording shall be added to the second page of the relevant Final Terms:

“In respect of Securities to be listed on the SIX Swiss Exchange Ltd, the Programme, together with any Final Terms, will constitute the listing prospectus pursuant to the Listing Rules of the SIX Swiss Exchange Ltd.”

- (3) The following wording shall be added to the following sections of the relevant Final Terms:

Listing [.....][*Application has been made by the Issuer (or on its behalf) for the Securities to be listed on SIX Swiss Exchange Ltd. and admitted to trading on Scoach Switzerland Ltd.*]

Admission to Trading: [Application has been made for the Securities to be admitted to trading on [] with effect from [].] [No application for admission to trading has been made.] [*Application has been made by the Issuer (or on its behalf) for the Securities to be listed on SIX Swiss Exchange Ltd. and admitted to trading on Scoach Switzerland Ltd., provided that no assurance can be given that the Securities will be admitted to trading on Scoach Switzerland Ltd. or listed on SIX Swiss Exchange Ltd. on the Issue Date or any specific date thereafter.*] [*Securities listed on SIX Swiss Exchange Ltd. may be suspended from trading in accordance with Article 57 of the SIX Listing Rules or be de-listed from SIX Swiss Exchange Ltd. during the lifetime of the Securities.*]

- (4) The following table shall be added to the relevant Final Terms for template purposes to be completed with respect to Swiss listed Securities only otherwise is shall be deleted entirely:

<i>[Securities admitted to trading on Scoach Switzerland Ltd. and listed on SIX Swiss Exchange Ltd. only:]</i>	<i>[Delete the following sections if Securities will not be admitted to trading on Scoach Switzerland Ltd. and listed on SIX Swiss Exchange Ltd.]</i>
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First Trading Day: [Specify other] [the Issue Date]

Last Trading Day: [] [trading on Scoach Switzerland Ltd. until official close of trading on Scoach Switzerland Ltd. on that day]

Minimum Trading Size: []

Payment Date: [Issue Date][Not Applicable]

Type of quoting (in case of interest component) [flat/dirty trading or clean trading][not applicable]

Minimum Exercise []

Governing Law The Securities are subject to English law

Jurisdiction The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with the Securities

Swiss Agent The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, CH-8022 Zurich, Switzerland, phone +41 44 285 58 58, fax +41 44 285 56 16

Recognised Representative for the purpose of Article 43 Listing Rules of the SIX Swiss Exchange Ltd: The Royal Bank of Scotland N.V., Amsterdam, Zurich Branch, Lerchenstrasse 24, P.O. Box 2921, CH-8022 Zurich, Switzerland, phone +41 44 285 58 58, fax +41 44 285 56 16

Paying Agent The Royal Bank of Scotland N.V. acting through its principal office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands

Announcements to Holders / Publications Any notices or publications to be made to Holders will be made through the online information system of SIX Swiss Exchange Ltd., by publishing on SIX Swiss Exchange's website
http://www.six-exchange-regulation.com/publications/communiqués/official_notices_en.html

Issue Size of Series or Number of Securities []

Interest Ex-Date (in case of interest component) [] [Not Applicable]

Type of quoting (in case of interest component) [flat/dirty trading or clean trading] [Not Applicable]

- (5) The following placeholder shall be added to the following section of the relevant Final Terms:

Other Securities Code: [] *[Symbol:]*

- (6) The following section shall be amended in the relevant Final Terms by deletion of the words 'these Final Terms' in the first line, and the insertion of the below text in italics, so as to read:

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in the Base Prospectus, as completed and/or amended by these Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. Material changes since the date of the Base Prospectus will trigger the need for a supplement under Article 16 of Directive 2003/71/EC which will be filed with both the AFM and the SIX Swiss Exchange.

[The information relating to the Underlying has been extracted from external sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the external sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

8. Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, the Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
9. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectuses by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectuses, the statements in (a) above will prevail.
10. Save as disclosed in this Supplement and any supplement to the Base Prospectus previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

4 November 2010

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



THE ROYAL BANK OF SCOTLAND N.V.
(previously named ABN AMRO Bank N.V.)
(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 4 November 2010 (the **Supplement**) constitutes a supplementary prospectus to the documents set out below which have been prepared in connection with the LaunchPAD Programme established by Royal Bank of Scotland N.V. (the **Issuer**). Terms defined in the Base Prospectus (as defined below) have the same meaning when used in this Supplement.

This Supplement is the third supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010, as supplemented on 6 July 2010 and 1 September 2010.

2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
3. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.
4. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

5. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.
6. The Issuer proposes to update the existing Product Conditions and form of Final Terms for Multi-Asset Basket Open End Certificates. Accordingly, the following amendments are made to the Open End Certificates Base Prospectus:
 - The Product Conditions of the Multi-Asset Basket Open End Certificates shall be deemed deleted and replaced with the Product Conditions as set out in Annex A to this Supplement; and
 - The form of Final Terms of the Multi-Asset Basket Open End Certificates shall be deemed deleted and replaced with the form of Final Terms as set out in Annex B to this Supplement;
7. Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
8. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectuses by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectuses, the statements in (a) above will prevail.
9. Save as disclosed in this Supplement and any supplement to the Base Prospectus previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

Annex A

CONDITIONS: PRODUCT CONDITIONS RELATING TO MULTI-ASSET BASKET OPEN END CERTIFICATES

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

1. DEFINITIONS

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Additional Market Disruption Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Basket Constituent**” means each Commodity, Share or Fund (including, where the Fund is an exchange traded fund, the Reference Asset), as the case may be, specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Basket Constituents**” means each or all of the Commodities, Shares and Funds (including, where the Fund is an exchange traded fund, the Reference Assets) as the case may be;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash

Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places, 0.005 being rounded downwards;

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

“**Commodity**” means each commodity specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Commodities**” shall be construed accordingly;

“**Constituent Closing Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount equal to:

(i) in respect of each Commodity or Share, the price of such Basket Constituent on the Exchange at the Valuation Time on a Trading Day, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of such Basket Constituent on such date having regard to the then prevailing market conditions, the last reported trading price of such Basket Constituent on the Exchange and such other factors as the Calculation Agent determines relevant, subject to adjustment in accordance with Product Condition 4; and

(ii) in respect of each Fund, an amount equal to the NAV of the Fund as quoted by the fund manager of the Fund or, where such Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case at the Valuation Time on a Trading Day, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price or NAV (as the case may be) can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of such Fund or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV of such Fund or, where such Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant, subject to adjustment in accordance with Product Condition 4;

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

(i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or

(ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or

(iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

(iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

(v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

(vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or

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

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

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

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

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

“Exchange” means, with respect to each Commodity, Share or Fund which is an exchange traded fund, the exchange or quotation system specified as such in the definition of the Basket for the relevant Series in the applicable Final Terms or any successor to such exchange or quotation system;

“Exchange Rate” means, in relation to each Basket Constituent and where applicable, the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer or other taxes or duties and/or any bid/offer spread incurred upon liquidation of the hedge arising in connection with (a) the exercise of such Security and/or (b) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, in relation to each Basket Constituent, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on the Valuation Date or the Issuer Call Date, as the case may be, and (b) the Number of Units for such Basket Constituent;

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

“**Form of the Securities**” means the form specified as such in the applicable Final Terms;

“**Fund**” means each fund (including exchange traded funds) specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Fund Administrator**” means, in respect of the Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“**Fund Adviser**” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“**Fund Documents**” means, with respect to any Fund or Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Reference Asset specifying the terms and conditions relating to such Fund or Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

“**Fund Event**” means each event specified as such in Product Condition 4(e) and any Additional Fund Event specified in the definition of the relevant Series in the applicable Final Terms;

“**Fund Prospectus**” means the disclosure document howsoever described prepared in connection with the marketing of the Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Fund Service Provider” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“Hedging Agreement” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“Inclusion Date” means (i) in respect of the Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

“Initial Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of each Basket Constituent, the Constituent Closing Price on Issue Date – 1, subject to adjustment in accordance with Product Condition 4;

“Initial Reference Price” means the price specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“Issue Date - 1” means, if applicable, the Trading Day immediately preceding the Issue Date unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day with respect to any Basket Constituent in which case the Issue Date - 1 shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Issue Date - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issue Date - 1 (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Constituent Closing Price

having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent deems relevant; or

- (ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(f) shall apply and the Issuer Date -1 shall be adjusted accordingly;

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and if such day is not a Trading Day with respect to any Basket Constituent, then in respect of such Basket Constituent, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day with respect to any Basket Constituent in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents or, where the Basket Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent deems relevant; or
- (ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(f) shall apply and the Issuer Call Date shall be adjusted accordingly;

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

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

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

“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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“NAV” means, net asset value, being the value which represents a Fund's per share market value;

“Number of Units” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in relation to each Basket Constituent:

(A) on the Issue Date:

$(\text{Initial Reference Price} \times \text{Weight}) / \text{Initial Price}$; and

(B) on each Re-weighting Day:

$(\text{Re-weighting Reference Price} \times \text{Weight of such Basket Constituent}) / \text{Constituent Closing Price of such Basket Constituent on such Re-weighting Day} - 1$;

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

and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

“**Reference Asset**” means the relevant interests specified as such in the definition of Basket in the relevant Series in the applicable Final Terms or, where the Reference Assets are not specified in the definition of the relevant Series in the applicable Final Terms and the Fund is not an exchange traded fund, the relevant interests in each Fund;

“**Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, on any Trading Day, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on such day and (b) the Number of Units for such Basket Constituent;

“**Related Exchange**” means in respect of a Share, Commodity or Fund which is an exchange traded fund, an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts relating to the relevant Basket Constituents are traded;

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

“**Relevant Currency Exchange Rate**” means each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement

Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

“**Relevant Party**” means each of the Fund and the Fund Adviser;

“**Replacement Fund**” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(f)(ii). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“**Re-weighting Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on Re-weighting Day - 1 and (b) the Number of Units for such Basket Constituent on the relevant Re-weighting Day - 1;

“**Re-weighting Day**” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Re-weighting Day - 1**” means the Trading Day immediately preceding the relevant Re-weighting Day unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day with respect to any Basket Constituent in which case the Re-weighting Day - 1 shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Day - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Day - 1 (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Constituent Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents or, where the Basket Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent deems relevant; or

(ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(f) shall apply and the Issuer Call Date shall be adjusted accordingly;

“**Securities**” means each Series of the multi-asset basket open end certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Share**” means each of the shares specified as such in the definition of Basket for the applicable Final Terms, subject to Product Condition 4, and “**Shares**” shall be continued accordingly;

“**Share Company**” means, in relation to each Share, the share company specified as such in the definition of Basket in the applicable Final Terms, subject to Product Condition 4;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Substitution Date**” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“**Trading Day**” means, (i) in respect of each Commodity or Share any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange and any Related Exchanges other than a day on which trading on the Exchange or any Related Exchanges is scheduled to close prior to its regular weekday closing time, (ii) in respect of a Fund, any day that is (or, but for the occurrence of a Fund Event, would have been) a day on which dealing in the Fund can take place and (iii) in respect of a Fund that is an exchange traded fund any day that is (or, but for the occurrence of a Fund 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 Currency**” means, in relation to each Basket Constituent, the currency specified as such in the definition of Basket for the relevant Series in the applicable Final Terms;

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms unless, in the determination of the Issuer or the Calculation Agent on its behalf either

- (i) a Market Disruption Event has occurred on that day with respect to any Basket Constituent in which case, in respect of such Basket Constituent, the Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituent on the Exchange and such other factors as the Calculation Agent determines to be relevant; or
- (ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(f) shall apply and the Issuer Call Date shall be adjusted accordingly;

“**Valuation Time**” means, in relation to each Basket Constituent at or around the time specified as such in the definition of the relevant Series in the applicable Final Terms or such other time as the Issuer or the Calculation Agent on its behalf may determine in its absolute discretion and notify to Holders in accordance with General Condition 4; and

“**Weight**” means, in relation to each Basket Constituent, and subject to adjustment in accordance with Product Condition 4, the percentage specified as such in the definition of Basket for the relevant Series in the applicable Final Terms.

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

2. FORM

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

(b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “Rules”). Accordingly, in these Conditions, the term “Holder” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

(c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian,

crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “Holder” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U. S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

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

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

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

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn

after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.

- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

- (a) **Market Disruption in relation to a Commodity.**

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

“Market Disruption Event” means:

- (i) **Price Source Disruption.** The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining

such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or

- (ii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iii) Disappearance of Price. The failure of trading of the Commodity to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (iv) Material Change in Formula. The occurrence, since the Issue 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 Commodity; or
- (v) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Commodity; or
- (vi) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (vii) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity on the Valuation Date, the Issuer Call 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; or
- (viii) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or
- (ix) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or

- (x) 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 Securities.

(b) Market Disruption in relation to a Share.

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

“Market Disruption Event” means:

- (i) 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):
 - (A) in the Shares on the Exchange or any other exchange on which the Shares are listed; or
 - (B) in any options contracts or futures contracts or other derivatives contracts relating to the Shares on any Related Exchange if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

- (c) Potential Adjustment Events in relation to a Share. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“Potential Adjustment Event” means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event) or a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a distribution of cash dividends on the Shares equal to or greater than 8 per cent., per annum of the then current market value of the Shares; (E) a call by the Share Company in respect of relevant Shares that are not fully paid; (F) a repurchase by the Share Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (G) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (d) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:
 - (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that

adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and the action proposed to be taken in relation thereto.

“**De-listing**” means (in this Product Condition 4(d) only) a Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchange on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

“**Merger Date**” means (in this Product Condition 4(d) only) the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means any (1) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (2) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares); or (3) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Share Company to the offeror, in each case if the Merger Date is on or before the Valuation Date or the Issuer Call Date.

“**Nationalisation**” means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

(e) Fund Events. Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.

(i) Global Events:

(A) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund’s portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.

- (B) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.
- (C) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (D) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

(E) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(e)(i)(E)(c)(I) above and in the case of this clause 4(e)(i)(E)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund

becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(e)(i)(E)(a) through 4(e)(i)(E)(f) above.

- (F) The Fund or any Fund Service Provider becomes party to any litigation or dispute.
- (G) Any Merger Event occurs or is threatened.
- (H) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (I) In respect of any Reference Assets, any fraudulent or negligent entry is made on the register of such Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (J) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Reference Assets that it may hold and/or (ii) any

internal exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant Affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Reference Assets held by them.

- (K) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
 - (L) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.
- (ii) NAV/Price and Reporting:
- (A) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Reference Assets on the Exchange.
 - (B) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.
 - (C) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.

- (D) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.
- (E) (i) In respect of any Reference Asset, the occurrence of any event affecting such Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation

methodologies, the occurrence of any Fund Event or any other similar policies relating to such Reference Assets).

(iii) Reference Assets:

Any of the following events relating to the Reference Assets occurs:

- (A) a subdivision, reclassification or distribution of Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Reference Assets;
- (B) a portion of each Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of “side-pocket” which affects the Reference Assets;
- (C) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Reference Assets, capital, securities, rights or other assets or interests to existing holders of Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Reference Assets;
- (D) any suspension or limitation on the trading of the relevant currencies in which the Reference Assets are denominated or any amendment to the currency of denomination of the Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(iv) Trading and Fees:

- (A) In respect of the Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Reference Assets as of such date).
- (B) Any suspension of or limitation imposed on trading of the Fund or on trading in the Reference Assets (for any reason, including, without

limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.

(C) The frequency at which Reference Assets can be traded is amended or the timing for subscription or redemption of Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.

(D) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Reference Assets or is entitled to any other amount and:

(I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or

(II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Reference Assets or be entitled to actual payment of any such other amount.

(v) Fund Adviser and Fund Service Provider Failures:

(A) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.

(B) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Fund have been breached and not cured.

(C) Any of: (a) the resignation, termination of appointment or replacement of the Fund Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other Fund Service Provider from its role as such occurs with respect to the

Fund or (b) any change in the personnel of any Fund Service Provider occurs which the Issuer or the Calculation Agent on its behalf considers materially adversely affects the ability of such Fund Service Provider to carry out its duties with respect to the Fund.

(D) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Fund or any person on its behalf to disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Fund and of the rights attaching to the Reference Assets.

(vi) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (i) to (v) above.

(f) Consequences of a Fund Event.

In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a “**Permitted Action**”):

- (i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (B) determine the effective date of the relevant adjustments; or
- (ii) select a Replacement Fund and a Substitution Date. Following any such selection (A) the Replacement Fund shall replace the affected Fund on the Substitution Date, (B) references herein to the name of the affected Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (C) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

- (iii) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
- (iv) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (A) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (B) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (A) or (B) of this clause 4(f)(iv) (as determined by the Issuer or the Calculation Agent on its behalf), (C) 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 notionally charged to the Securities) (any of (A), (B) or (C), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(f), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

(g) Fund Event Methodology and Determinations:

- (i) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
- (ii) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
- (iii) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any

fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

(h) Adjustments to the Basket.

If a De-Listing occurs with respect to a Fund or Share, as applicable or a Fund or Share is for any reason cancelled or ceases to exist, the Calculation Agent may determine in its sole discretion to either (A) replace the de-listed or cancelled Fund or Share, as applicable by a successor fund or share, as applicable which has, in the determination of the Calculation Agent, the same or a substantially similar structure and a substantially similar economic impact and is linked to the same asset as such Fund or Share, (B) remove the de-listed or cancelled Fund or Share, as applicable and allocate the Final Reference Price of such Fund or Share as of the effective date of the de-listing or cancellation, pro rata to the remaining Funds or Shares, as applicable or (C) make such other adjustments, which are not specified in 4(h)(A) or (B) above, to the Conditions, including altering the Weight of the relevant Basket Constituents, as the Calculation Agent sees fit, acting in its absolute discretion. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made pursuant to this paragraph.

“**De-listing**” means, for the purpose of the foregoing paragraph, a Fund or Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which they are listed (and such cessation or suspension is continuing and such Fund or Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

5. EFFECT OF FINAL TERMS

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

Annex B

MULTI-ASSET BASKET OPEN END CERTIFICATES

Series: *Multi-Asset Basket Open End Certificates Series []*

Issue Price: []

Additional Fund Events: [None] [specify]

Additional Market Disruption Events: [None] [specify]

Basket:

“Basket Constituent”	“Share Company”	“Exchange”	“Weight”	“Underlying Currency”
[specify each Commodity and Bloomberg/Reuters Code]	[]	[]	[]%	[]

(“Commodity”)

[the [ordinary] shares of the Share Company (ISDN:) (Bloomberg Code)]

(“Share”)

[specify each Fund and Bloomberg Code/ISIN]

(“Fund”)

[Where the Fund is an exchange traded fund, include details of the Reference Asset and ISIN]

(“Reference Asset”)

Business Day: [As stated in Product Condition 1] [*specify other*]

Cash Amount: [Final Reference Price x Entitlement] [*specify other*]

Commodity [] [See Basket]

Constituent Closing Price: [As stated in the Product Condition 1][*specify other*]

Emerging Market Disruption Events: [As stated in the Product Condition 1][*specify other*]

Entitlement: []

Exchange: [See Basket] [*specify other*]

Exercise Date: [The third Business Day preceding the Scheduled Valuation Date as provided in Product Condition 3] [*specify other*]

Exercise Time: [10.00 am Central European Time] [*specify other*]

Final Reference Price: [As stated in Product Condition 1] [*specify other*]

Initial Price: [As stated in Product Condition 1] [*specify other*]

Initial Reference Price: [EUR 100] [*specify other*]

Issuer Call Notice Period: [One calendar year] [*specify other*]

Number of Units: [As stated in Product Condition 1] [*specify other*]

Reference Price: [As stated in Product Condition 1] [*specify other*]

Relevant Currency: [As stated in Product Condition 1][*specify other*]

Relevant Number of Trading Days: For the purposes of:
Issue Date – 1: [5, or in respect of an Emerging Market Disruption Event only, 180]
Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Re-weighting Day – 1: [5, or in respect of an Emerging Market Disruption Event only, 180]
Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Re-weighting Day: [The first Trading Day of each year commencing [*year*]
[*specify other*]

Re-weighting Reference Price: [As stated in Product Condition 1] [*specify other*]

Settlement Currency: []

Settlement Date: [The [*fifth*] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, and, in the event that there is more than one Valuation Date or Issuer Call Date in relation to the Basket, the Settlement Date shall be the [*fifth*] Business Day following the last Valuation Date or Issuer Call Date, as the case may be] [*specify other*]

Standard Currency: [As stated in Product Condition 1][*specify other*]

Valuation Date(s): [The last Trading Day of March in each year, commencing from and including March [*year*]] [*specify other*]

Valuation Time: [The time of the London [*morning*] [*daily*] [*afternoon*] fixing price for the Commodity] [The close of trading on the relevant Exchange in relation to a Share or a Reference Asset where the Fund is an exchange traded fund] [The time with reference to which the Fund Manager publishes the NAV or value in relation to a Fund which is not an exchange traded fund][*specify other*]

Amendments to General 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 Securities: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules.
Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in

its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscore: []

WKN: Valoren: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: [Multi-Asset Basket Basket] Open End Certificates Series []

[repeat as above for each new Series]

1 September 2010

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



THE ROYAL BANK OF SCOTLAND N.V.

(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 1 September 2010 (the **Supplement**) constitutes the second supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010, as supplemented on 6 July 2010.
2. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
3. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements thereto issued by the Issuer.
4. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.
5. On 31 August 2010, RBS Holdings N.V. published its Interim Financial Report for the half year ended 30 June 2010 (the **Interim Financial Report**).
6. A copy of the Interim Financial Report has been filed with the AFM and, by virtue of this Supplement, the Interim Financial Report is incorporated into, and forms part of, the Base Prospectus.
7. Copies of the Base Prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate,

London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.

8. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.
9. Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.
10. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

The Royal Bank of Scotland N.V.

6 July 2010

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



THE ROYAL BANK OF SCOTLAND N.V.
(Registered at Amsterdam, The Netherlands)
(the **Issuer**)

RBS LaunchPAD Programme

1. This Supplement dated 6 July 2010 (the **Supplement**) constitutes a supplementary prospectus to the documents set out below which have been prepared in connection with the LaunchPAD Programme established by Royal Bank of Scotland N.V. (the **Issuer**). Terms defined in the Base Prospectus (as defined below) have the same meaning when used in this Supplement.
2. This Supplement is the first supplement to the base prospectus dated 1 July 2010 in relation to the Issuer's LaunchPAD Programme for the Issuance of Open End Certificates (the **Base Prospectus**) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) on 1 July 2010.
3. The Base Prospectus was approved as a base prospectus pursuant to Directive 2003/71/EC by the AFM. This Supplement constitutes a supplemental prospectus to the Base Prospectus for the purposes of Article 5:23 of the Financial Supervision Act (*Wet op het financieel toezicht*).
4. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.
5. In accordance with Article 5:23(6) of the Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for securities issued under the Base Prospectus before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.
6. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

7. The following amendments are hereby made to the summary of the Base Prospectus and section “Essential Characteristics of the Issuer” as a result of the publication of the Registration Document for The Royal Bank of Scotland NV and RBS Holdings N.V. on 1 July 2010.

Under heading “Overview” in the first sentence of this paragraph the words “and constitutes a strong and stable wholesale banking enterprise” are deleted and the sentence should now read:

“The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*).”

Under heading “Overview” reference in the second paragraph to “approximately 50 countries” is deleted and replaced by “approximately 40 countries”. The paragraph should now read:

“The Issuer operates on a significant scale across Europe, Middle East and Africa (EMEA), the Americas and Asia. At legal separation from the ABN AMRO group on 1 April 2010 (see the paragraph Separation from the ABN AMRO group below), RBS N.V. has a sizeable balance sheet, a significant staff presence and a broad set of products; provided by a sales force operating in approximately 40 countries (reducing over time following intended asset sales or exits of selected network countries). As at 31 December 2009, the RBS acquired businesses within RBS N.V. reported total consolidated assets of €275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.”

8. Copies of the base prospectus and all documents incorporated by reference in the Base Prospectus are accessible on <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, the Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, e-mail investor.relations@rbs.com.
9. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectuses by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectuses, the statements in (a) above will prevail.
10. Save as disclosed in this Supplement and any supplement to the Base Prospectus previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

The Royal Bank of Scotland N.V.

The Royal Bank of Scotland N.V.
(incorporated in The Netherlands with its statutory seat in Amsterdam)



BASE PROSPECTUS RELATING TO

OPEN END CERTIFICATES

THE ROYAL BANK OF SCOTLAND N.V.

LAUNCHPAD PROGRAMME

DATED: 1 JULY 2010

PROSPECTIVE PURCHASERS OF THE SECURITIES DESCRIBED IN THIS BASE PROSPECTUS (THE “SECURITIES”) SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE SECURITIES. THE MARKET PRICE AND/OR VALUE OF THE SECURITIES MAY BE VOLATILE AND HOLDERS OF THE SECURITIES MAY SUSTAIN A TOTAL LOSS IN THE VALUE OF THEIR INVESTMENT (UNLESS THE SECURITIES ARE OF A TYPE IN WHICH CAPITAL IS PROTECTED). PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES. PLEASE REFER, IN PARTICULAR, TO THE SECTIONS “RISK FACTORS” IN THIS BASE PROSPECTUS AND IN THE REGISTRATION DOCUMENT FOR A MORE COMPLETE EXPLANATION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR POLITICAL SUBDIVISION OF THE UNITED STATES, AND MAY NOT BE EXERCISED, OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.

This Base Prospectus constitutes, a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”).

The Royal Bank of Scotland N.V. (the “**Issuer**”) accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to NYSE Euronext for Securities to be admitted to trading and listed on Euronext Amsterdam N.V. (“**Euronext Amsterdam**”) by NYSE Euronext up to the expiry of 12 months from the date of this Base Prospectus. In addition, Securities may be listed or admitted to trading, as the case may be, on any other stock exchange or market specified in the applicable Final Terms. The Issuer may also issue unlisted Securities.

References in this Programme to Securities being “**listed**” (and all related references) shall mean that such Securities will be admitted to trading and will be listed on Euronext Amsterdam or any other regulated market for the purposes of Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”).

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or any Securities. Neither the delivery of this document nor the delivery of any other documents of the LaunchPAD Programme nor any information provided in the course of a transaction in Securities shall, in any circumstances, be construed as a recommendation by the Issuer to enter into any transaction with respect to any Securities. Each prospective investor contemplating a purchase of Securities should make its own independent investigation of the risks associated with a transaction involving any Securities.

The delivery of this document does not at any time imply that there has been no change in the affairs of the Issuer since the date of this Base Prospectus. The Issuer does not intend to provide any post-issuance information.

The distribution of this document and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of this document and other offering material relating to the Securities please refer to the section “Selling Restrictions” in this Base Prospectus.

No person has been authorised to give any information or to make any representations other than those contained in this Base Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with all documents that are deemed to be incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated in and form part of the Base Prospectus.

The Issuer does not represent that this document may be lawfully distributed, or that Securities 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, which would permit a public offering of the Securities or possession or distribution of this Prospectus or any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer. For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of this document and other offering material relating to the Securities please refer to the section "Selling Restrictions" in this Base Prospectus.

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SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area (an “EEA State”), the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this summary.

Issuer: The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.) (the “**Issuer**” or “**RBS N.V.**”) acting through its London branch at 250 Bishopsgate, London, EC2M 4AA.

History and Incorporation: The origin of RBS N.V. can be traced to the formation of “Nederlandsche Handel-Maatschappij, N.V.” in 1825 pursuant to a Dutch Royal Decree of 1824. RBS N.V.’s articles of association were last amended by deed of 1 April 2010 executed before Mr. B.J. Kuck, a notary public in Amsterdam. RBS N.V. is registered in the Commercial Register of Amsterdam under number 33002587. RBS N.V.’s registered office is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS N.V. is a wholly-owned subsidiary of RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (“**RBS Holdings**”), which is incorporated as a limited liability company under Dutch law by deed of 30 May 1990. The articles of association of RBS Holdings were last amended by deed of 1 April 2010 executed before Mr. M.W. Gajaart,

a deputy of Mr. B.J. Kuck, a notary public in Amsterdam. The registered office of RBS Holdings is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS Holdings owns 100 per cent. of RBS N.V.'s shares and is jointly and severally liable for all our liabilities in respect of the structured products pursuant to a declaration under Article 2:403 of the Dutch Civil Code.

Overview:

The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*) and constitutes a strong and stable wholesale banking enterprise. RBS Group targets the highest possible credit rating for RBS N.V.

The Issuer operates on a significant scale across Europe, Middle East and Africa (EMEA), the Americas and Asia. At legal separation from the ABN AMRO group on 1 April 2010 (see the paragraph *Separation from the ABN AMRO group* below), RBS N.V. has a sizeable balance sheet, a significant staff presence and a broad set of products; provided by a sales force operating in approximately 50 countries (reducing over time following intended asset sales or exits of selected network countries). As at 31 December 2009, the RBS acquired businesses within RBS N.V. reported total consolidated assets of €275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.

Headquartered in Edinburgh, the RBS Group operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, RBS Plc and Natwest. Both RBS Plc and Natwest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, The Royal Bank of Scotland Group plc's subsidiary Citizens is a large commercial banking organization. RBS Group has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

Group Organisational Structure:

RBS N.V. comprises the following core businesses:

- Global Banking & Markets: Global Lending, Equities, Short Term Markets & Funding, and Local Markets;
- Global Transaction Services: Global Lending, Transaction Banking and International Cash Management; and
- Risk & Restructuring: The Non-Core Division in Risk & Restructuring contains assets that are no longer core to RBS Group's strategic objectives and include Trading, Wholesale Banking and Retail & Commercial Business Units, as well as selected network countries. The assets will reduce over time through wind-down, sale or transfer.

These RBS N.V. businesses are part of global business units in the RBS Group that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall businesses' strategies of the RBS Group.

Separation from the ABN AMRO Group:

On 17 October 2007 85.6 per cent. of the shares in ABN AMRO Holding N.V. was acquired through RFS Holdings B.V. ("**RFS Holdings**"), a company incorporated by a consortium consisting of the RBS, Fortis N.V., Fortis SA/NV ("**Fortis**") and Banco Santander S.A. each a 'Consortium Member'.

On 3 October 2008, the State of the Netherlands ("**Dutch State**") acquired all Fortis' businesses in The Netherlands, including the Fortis share in RFS Holdings. On 24 December 2008, the Dutch State purchased from Fortis Bank Nederland (Holding) N.V. its investment in RFS Holdings, to become a direct shareholder in RFS Holdings.

Agreement as to separation and debt instrument allocation

RBS and the Dutch State agreed that the Dutch State acquired businesses would be legally separated from the residual RBS acquired businesses into a new bank.

As part of the separation process the Consortium Members also came to an agreement on the economic allocation of issued debt instruments within ABN AMRO Bank N.V. to the individual Consortium Members' acquired businesses.

The LaunchPAD Programme has been economically allocated to RBS N.V.

Legal demerger and legal separation process

On 30 September 2009 ABN AMRO Holding N.V. announced that a two-step approach would be taken to effect the legal separation of the assets and liabilities acquired by the Dutch State:

Step 1 – “**Legal Demerger**”: Transfer of the majority of the Dutch State acquired businesses from ABN AMRO Bank N.V. (the “**Demerging Company**”) to a new legal entity, ABN AMRO II N.V. (the “**Acquiring Company**”). Following the demergers and the transfer of the Dutch State acquired businesses into the new bank, the Demerging Company was to be renamed The Royal Bank of Scotland N.V. The Acquiring Company, comprising the Dutch State acquired businesses, was to then be renamed ABN AMRO Bank N.V.

The Legal Demerger and the consequent name changes were successfully effected on 6th February 2010.

Step 2 – “**Legal Separation**”: Transfer of the shares of the renamed ABN AMRO Bank N.V. from ABN AMRO Holding N.V. to a new holding company fully owned by the Dutch State and independent of ABN AMRO Holding N.V. Following the transfer of the shares in ABN AMRO Bank N.V. to a new holding company, ABN AMRO Holding N.V. was to be renamed RBS Holdings N.V.

The Legal Separation and the consequent name change were

successfully effected on 1 April 2010. This represents the final major milestone in the integration of the businesses and assets acquired by RBS.

Following Legal Separation, the Issuer's activities continue to be subject to Dutch Central Bank (*De Nederlandsche Bank*) and the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) supervision and on a consolidated basis as part of the RBS Group subject to UK Financial Services Authority supervision. Due to the change in the operating model of RBS N.V. compared to pre-acquisition ABN AMRO Bank N.V. a licence renewal has been granted by the Dutch Central Bank on 3 February 2010.

Following Legal Separation a new managing board and supervisory board of RBS N.V. were appointed

Risk Factors:

In the context of its business activities, the Issuer is subject to various risks that are typical of the banking industry. Should certain risks materialise, this may adversely affect the business situation, financial condition and profits and losses of the Issuer and its subsidiaries and, consequently, the business situation, financial condition and profits and losses of RBS Holdings and, hence, the capacity (i) of the Issuer to meet its liabilities under the Securities towards the holders of Securities (the "**Holder**"), and/or (ii) of RBS Holdings to meet its obligations under the guarantee. Factors which can adversely affect the business situation, financial condition and profits and losses of the Issuer are *inter alia* (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risks.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities including (i) the value of the Securities may fluctuate based on the value of the Underlying, (ii) there

may not be a secondary market in the Securities, (iii) holders of the Securities have no ownership interest in the Underlying and (iv) there may be limitations on a holder's right to exercise the Securities or there may be delays in effecting settlement, see section entitled "*Risk Factors*" in this Base Prospectus.

Guarantor:

RBS Holdings pursuant to its declaration under Article 2:403 of the Netherlands Civil Code.

Principal Agent and Calculation Agent:

RBS N.V., acting through its London branch at 250 Bishopsgate, London EC2M 4AA

Listing and Admission to Trading:

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

Description of the Securities:

A range of certificates may be issued under this Base Prospectus. The terms and conditions (the "**Conditions**") applicable to such certificates are contained in the general conditions (the "**General Conditions**") which are applicable to all certificates, product conditions (the "**Product Conditions**") applicable to the particular type of certificate being issued and the Final Terms (as defined in the Product Conditions) applicable to the particular Series (as defined in the Product Conditions) being issued.

Certificates are investment instruments which, when exercised or terminated in accordance with their Conditions, pay an amount determined by reference to the value of the underlying currency, commodity, index and its constituent elements, stock, bond, basket or other product (together, the "**Underlying**") on one or more specified days, subject to the certificate entitlement. The types of certificates that may be issued under this Base Prospectus are described below.

Dividends received by the Issuer on holding any hedge for the certificates during the life of the certificates may, if so specified in the applicable Product Conditions, be passed on to the Holder.

Open End Certificates:

Open end certificates are similar to ordinary certificates, in that they track in a linear manner the Underlying. The difference between an open end certificate and an ordinary certificate is that an open end certificate does not have an expiration date or maturity date but will instead continue indefinitely until either the Holder exercises or the Issuer terminates the certificates.

Where the Underlying is a product which has an expiration, for example a future or forward, then the Underlying may be substituted for an equivalent instrument during the life of the open end certificates.

Open End Quanto Certificates:

Where the settlement currency is different to the underlying currency, an open end certificate may have a quanto feature (effectively a fixed rate of exchange between the two currencies for the duration of the certificate) and the Issuer may charge the holder of the Securities (the “**Holder**”) for arranging and maintaining such quanto feature by way of reducing the amount received by the Holder on exercise or termination.

Open End Certificates Underlying:

Open end certificates may be issued in relation to a wide range of Underlyings, including, without limitation, commodities, indices, forward or future contracts related to one or more commodities, funds, baskets of indices and funds and other assets.

Spread Open End Certificates:

The spread certificates are leverage type investment instruments, which are not comparable to a direct investment in the underlying assets, because the value of the certificates is linked to the relative performance between two underlying assets comprising a long position in one underlying asset and a short position in another underlying asset. This relative performance is expressed as a percentage

rate. Spread certificates contain features including stop-loss, which if breached will result in the early termination of the certificate and issuer automatic call, both of which are based on closing levels of the Underlying.

Rolling Covered Call Open End Certificates: Rolling covered call certificates are strategy certificates without a fixed redemption date that track the performance of the strategy set out in the applicable Final Terms. Rolling covered call certificates may, as specified in the applicable Final Terms, entitle holders to payment of a coupon or an interim settlement amount on such dates and at such amounts as are set out in the applicable Final Terms. If specified in the applicable Final Terms, the Issuer will be entitled to terminate a rolling covered call certificate upon such notice as is set out in the applicable Final Terms.

Rolling Mini Short Open End Certificates: Rolling mini certificates have no fixed expiration date or maturity date but will instead continue indefinitely until they are exercised by the Holder, terminated by the Issuer, or knocked out. Certain elements, including but not limited to the current leverage factor, the level of the underlying and the value of the certificates, may be observed to determine whether adjustments need to be made to any of the terms and conditions of the certificates to maintain the leverage within certain limits. In addition to such adjustments, the Holder could be entitled to an interim payment.

Indicative Issue Price: The Securities will be issued at a price determined by the Issuer who may, in making such determinations, refer to, amongst other factors, the level of the Underlying, adjusted for the relevant certificate entitlement and any applicable foreign exchange rate(s).

Maturity: The Securities do not have any fixed maturity date.

Interest: The Securities will not be interest bearing.

General Conditions Set out below is a summary of certain significant provisions of the General Conditions applicable to all Securities issued under this Base Prospectus.

Status of the Securities:

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

Early Termination:

The Issuer may terminate any Securities if it shall have determined in its absolute discretion that its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable law. In such circumstances the Issuer will, to the extent permitted by law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements.

Hedging Disruption:

If a Hedging Disruption Event (as defined in General Condition 5) occurs, the Issuer will at its discretion (i) terminate the Securities and pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements or (ii) make a good faith adjustment to the relevant reference asset as described in General Condition 5(c) or (iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. The Issuer may make adjustments following any event likely to have a material adverse effect on the Issuer's hedge position, subject to the conditions set out in General Condition 5(d).

Substitution:

The Issuer may at any time, without the consent of the Holders substitute for itself as Issuer of the Securities, RBS plc or any entity other than RBS plc subject to the conditions set out in General Condition 8. In certain cases, substitution may be required to be effected in accordance

with the rules of one or more clearing systems specified in the applicable Final Terms.

Events of Default

The term of the Securities will contain the following events of default:

- (a) default in payment of any principal or interest due in respect of the Securities, continuing for a specified period of time;
- (b) non-performance or non-observance by the Issuer of any of its other obligations under the Securities continuing for a specified period of time; and

events relating to the winding up of the Issuer.

Taxation:

The Holder (and not the Issuer) shall be liable for and/or pay any tax, duty or charge in connection with the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable to any Holder such amount as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

Product Conditions:

Set out below is a summary of certain significant provisions of the Product Conditions applicable to the Securities to be issued under this Base Prospectus.

Form of Securities:

The Securities, other than Securities issued in dematerialised form, will be issued in global bearer form.

If SIX SIS Ltd is specified as Clearing Agent, Securities will, following their issuance, be transformed into intermediated securities in accordance with article 6 of the Swiss Federal Intermediated Securities Act.

Exercise of Securities:

Securities may be exercised on any Exercise Date, as specified in the applicable Final Terms. Notification of any such automatic exercise will be made in the manner set out under “General Information”.

Settlement of Securities:

Securities will be cash settled.

Market Disruption Events: If a Market Disruption Event occurs Holders may experience a delay in settlement and the cash price paid on settlement may be adversely affected. Market Disruption Events are defined in Product Condition 4 for each type of Security and vary depending on the type of Security.

Emerging Market Disruption Events: The Emerging Market Disruption Events reflect the substantial risks associated with investing in emerging markets in addition to those risks normally associated with making investments in other countries. Potential investors should note that the securities markets in emerging market jurisdictions are generally substantially smaller and at times have been more volatile and illiquid than the major securities markets in more developed countries. If a Emerging Market Disruption Event occurs Holders may experience a delay in settlement and the cash price paid on settlement may be adversely affected. Emerging Market Disruption Events are defined in Section 1 of the Product Conditions.

Potential Adjustment Event: If a Potential Adjustment Event occurs the Calculation Agent may adjust one or more of the Conditions to account for the diluting or concentrative effect of the Potential Adjustment Event. Potential Adjustment Events are defined in Product Condition 4 for each type of Security (if applicable) and vary depending on the type of Security.

Fund Event: If a Fund Event occurs, the Issuer or the Calculation Agent on its behalf, in each case acting in good faith and in a commercially reasonable manner, may adjust one or more of the Conditions to reflect the impact of the Fund Event. Fund Events are defined in Product Condition 4 for each type of Security (if applicable).

De-listing: If a De-listing occurs the Calculation Agent may adjust one or more of the Conditions, including replacing the relevant Underlying, to account for such event. De-listing is defined in Product Condition 4 for each type of Security (if applicable).

Governing Law:

English law.

English courts:

The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with the Securities.

Final Terms:

Each Series will be the subject of a Final Terms which will contain the final terms applicable to the Series. The form of the Final Terms applicable to each type of Security is set out at the end of this Base Prospectus.

The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued, but the inability of the Issuer to pay principal or other amounts on or in connection with any Securities, or to perform any delivery obligations in relation to the Securities, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

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

Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.

Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued

Each potential investor in the Securities should refer to the Risk Factors section in the Issuer's registration document dated 1 July 2010 (the "**Registration Document**") incorporated by reference into this Base Prospectus for a description of those factors which may affect the Issuer's ability to fulfil its obligations under Securities issued.

Factors which are material for the purpose of assessing the market risks associated with Securities issued

The Securities are certificates which entail particular risks

Certificates are investment instruments which, when exercised or terminated pay an amount determined by reference to the level of the underlying currency, commodity, index (including in the case of an index, the index and its constituent elements), stock, bond or other product, subject to the

certificate entitlement. As such, certificates entail the same level of risk as a direct investment in the Underlying. Investors should be aware that their entire investment may be lost in the event that the Underlying is valued at zero. However, investors are able to hold certificates in the expectation of a recovery in the price of the Underlying.

The price at which a Holder will be able to sell certificates may be at a potentially substantial discount to the market value of the certificates at the issue date, if, at such time and in addition to any other factors, the value of the Underlying is below, equal to or not sufficiently above the value of the Underlying at the issue date.

Open end certificates are similar to ordinary certificates, in that they track in a linear manner the Underlying. The difference between an open end certificate and an ordinary certificate is that an open end certificate does not have an expiration date or maturity date but will instead continue indefinitely until either the Holder exercises or the Issuer terminates the certificates.

The spread certificates are leverage type investment instruments, which are not comparable to a direct investment in the underlying assets, because the value of the certificates is linked to the relative performance between two underlying assets comprising a long position in one underlying asset and a short position in another underlying asset. This relative performance is expressed as a percentage rate. Spread certificates contain features including stop-loss, which if breached will result in the early termination of the certificate and issuer automatic call, both of which are based on closing levels of the Underlying.

The Securities may not be a suitable investment for all investors

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or other amounts payable in one or more currencies, or where the currency for principal or other payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and

- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The value of the Securities may fluctuate

The value of the Securities may move up and down between their date of purchase and their exercise date or maturity date (as the case may be). Holders may sustain a total loss of their investment (unless the Securities are of a type in which capital is protected). Prospective purchasers should therefore ensure that they understand fully the nature of the Securities before they invest in the Securities.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:

- (a) *Valuation of the Underlying.* The market price of the Securities at any time is expected to be affected primarily by changes in the level of the Underlying to which such Securities are linked. It is impossible to predict how the level of the relevant Underlying will vary over time. Factors which may have an affect on the value of the Underlying include the rate of return of the Underlying and the financial position and prospects of the issuer of the Underlying or any component thereof. In addition, the level of the Underlying may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential investors should also note that whilst the market value of the Securities is linked to the relevant Underlying and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the Underlying is increasing in value, the value of the Securities may fall. Further, where no market value is available for an Underlying, the Calculation Agent may determine its value to be zero notwithstanding the fact that there may be no Market Disruption Event (including an Emerging Market Disruption Event) and/or no Potential Adjustment Events and/or no De-listing and/or no Fund Event which apply.

- (b) *Interest Rates.* Investments in the Securities may involve interest rate risk with respect to the currency of denomination of the Underlying and/or the Securities. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Securities at any time prior to valuation of the Underlying relating to the Securities.
- (c) *Volatility.* The term “volatility” refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to an Underlying. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying will move up and down over time (sometimes more sharply than others) and different Underlyings will most likely have separate volatilities at any particular time.
- (d) *Exchange Rates.* Even where payments in respect of the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Securities is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Securities will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter. Where Securities are described as being “quantoed”, the value of the Underlying will be converted from one currency (the “**Original Currency**”) into a new currency (the “**New Currency**”) on the date and in the manner specified in, or implied by, the Conditions using a fixed exchange rate. The cost to the Issuer of maintaining such a fixing between the Original Currency and the New Currency will have an implication on the value of the Securities. The implication will vary during the term of the Securities. No assurance can be given as to whether or not, taking into account relative exchange rate and interest rate fluctuations between the Original Currency and the New Currency, a quanto feature in a Security would at any time enhance the return on the Security over a level of a similar security issued without such a quanto feature.
- (e) *Disruption.* If so indicated in the Conditions, the Calculation Agent may determine that a Market Disruption Event (which includes Emerging Market Disruption Events), Fund Event, Potential Adjustment Event and/or De-listing has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or may delay

settlement in respect of the Securities. Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

- (f) *Creditworthiness.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of RBS Holdings (pursuant to its declaration under Article 2:403 of the Netherlands Civil Code) and has no rights against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and of no other person. The Securities rank *pari passu* among themselves.

There may not be a secondary market in the Securities

Potential investors should be willing to hold the Securities through their life. The nature and extent of any secondary market in the Securities cannot be predicted. As a consequence any person intending to hold the Securities should consider liquidity in the Securities as a risk. If the Securities are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Securities were not so listed or quoted. However, if Securities are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any such Securities may be resold at any time into the market.

The Issuer may, in its sole and absolute discretion, decide to offer a secondary market in the Securities. In the event that the Issuer elects to offer such secondary market, the Issuer shall be entitled to impose such conditions as it, in its sole and absolute discretion, shall deem fit, including but not limited to:

- (a) providing a large bid/offer spread determined by the Issuer in its sole and absolute discretion by reference to the Issuer's own appreciation of the risks involved in providing such secondary market;
- (b) normal market conditions prevailing at such date; and
- (c) limiting the number of Securities in respect of which it is prepared to offer such secondary market.

Holders should note that the imposition of any of the above conditions may severely limit the availability of any such secondary market and may result in Holders receiving significantly less than they otherwise would have received if the Securities were redeemed at maturity. As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Securities for the purpose of meeting any investor interest in the future. Prospective

investors in the Securities should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series.

In the event that such a secondary market does not develop, it is unlikely that an investor in the Securities will be able to sell his Securities or at prices that will provide him with a yield comparable to similar investments that have a developed secondary market.

Purchasing the Securities as a hedge may not be effective

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

Actions taken by the Issuer may affect the value of the Securities

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Securities, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Underlying. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Underlying which may affect the market price, liquidity or value of the Underlying and/or the Securities and which could be deemed to be adverse to the interests of the Holders. The Issuer and/or its affiliates are likely to modify their hedging positions throughout the life of the Securities whether by effecting transactions in the Underlying or in derivatives linked to the Underlying. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the Underlying.

The Issuer may also make adjustments to the Conditions if it determines that an event has occurred which, whilst not a Hedging Disruption Event or other disruption event is likely to have a material adverse effect on the Issuer's Hedge Position. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities.

Holders have no ownership interest in the Underlying

The Securities convey no interest in the Underlying. The Issuer may choose not to hold the Underlying or any derivatives contracts linked to the Underlying. There is no restriction through the issue of the Securities on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise

convey all right, title and interest in any Underlying or any derivatives contracts linked to the Underlying.

Actions taken by the Calculation Agent may affect the Underlying

The Calculation Agent is the agent of the Issuer and not the agent of the Holders or any of them. The Issuer may itself act as the Calculation Agent. The Calculation Agent will make such adjustments as it considers appropriate as a consequence of certain corporate actions affecting the Underlying. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action.

There may be limitations on a Holder's right to exercise the Securities

- (a) *Maximum Exercise Amount.* If so indicated in the Conditions, the Issuer will have the option to limit the number of Securities exercisable on any date (other than the final exercise date) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Securities being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer has elected to limit the number of Securities exercisable on such date, a holder of Securities may not be able to exercise on such date all the Securities that it desires to exercise. In any such case, the number of Securities to be exercised on such date will be reduced until the total number of Securities exercised on such date no longer exceeds such maximum (unless the Issuer otherwise elects), such Securities being selected as specified in the Conditions. Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

- (b) *Minimum Exercise Amount.* If so indicated in the Conditions, a Holder may have to tender a specified minimum number of the Securities at any one time in order to exercise the Securities. Thus Holders with fewer than the specified minimum number of such Securities will either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to realise a return on their investment, and may incur the risk that the trading price of the Securities at that time is different from the applicable Cash Amount (as defined in the Product Conditions).

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

There may be delays in effecting settlement

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

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

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

The failure to deliver any certifications required by the Conditions could result in the loss or inability to receive amounts or deliveries otherwise due under the Securities.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

Securities not exercised in accordance with the Conditions will (where exercise is required) expire worthless.

Taxes may be payable by investors

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Holders are subject to the provisions of General Condition 9 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of any Expenses as provided in the Product Conditions.

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

No tax gross-up

If payments on the Securities are or become subject to a withholding or deduction required by law on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will make the required withholding or deduction, as the case may be, and neither the Issuer nor the Principal Agent nor any other person shall pay any additional amounts to the Holders in respect of such withholding or deduction. Please refer to section “General Condition 9 – Taxation”.

The Securities may be terminated prior to their stated date

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason or the Issuer determines that it is no longer legal or practical for it to maintain its hedging arrangement with respect to the Securities for any reason, the Issuer may at its discretion and without obligation terminate early the Securities. If the Issuer terminates early the Securities, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value less the cost to the Issuer of unwinding any underlying related hedging arrangements notwithstanding the illegality or impracticality.

Risks associated with Securities held in global form

The Securities will initially be held by or on behalf of one or more clearing systems specified in the applicable Final Terms (each a “**Relevant Clearing System**”), either in the form of a global bearer Security which will be exchangeable for definitive Securities only in the event of the closure of all Relevant Clearing Systems or in dematerialised form depending on the rules of the Relevant Clearing System. For as long as any Securities are held by or on behalf of a Relevant Clearing System, payments of principal and any other amounts will be made through the Relevant Clearing System, where required, against presentation or surrender (as the case may be) of any relevant global Security and, in the case of a temporary global Security in bearer form, certification as to non-U.S. beneficial ownership. The risk is that the bearer or the registered holder, as the case may be, of the relevant global Security, typically a depository or a nominee for a depository for the Relevant Clearing System, or, in the case of Securities in dematerialised form, the Relevant Clearing System and not the Holder itself, shall be treated by the Issuer and any Agent (as defined in the Conditions) as the sole holder of the relevant Securities with respect to the payment of principal (if any) and any other amounts payable in respect of the Securities or any securities deliverable in respect of the Securities. Holders therefore

are required to look to the Relevant Clearing System in respect of payments made to it by the Issuer in respect of Securities in global or dematerialised form.

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

Risk associated with nominee arrangements

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

None of the Issuer or any Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

The return on an investment in Securities will be affected by charges incurred by investors

An investor's total return on an investment in any Securities will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Securities, custody services and on payments of principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Securities.

Change of law and jurisdiction

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Modification, waivers and substitution

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

- (a) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest error or other defective provision; or
- (b) in any other manner which is not materially prejudicial to the interests of the Holders; or
- (c) for the purpose of the substitution of another company as principal debtor under any Securities in place of the Issuer, in the circumstances described in General Condition 8.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

ESSENTIAL CHARACTERISTICS OF THE ISSUER

History and incorporation

The origin of RBS N.V. can be traced to the formation of “Nederlandsche Handel-Maatschappij, N.V.” in 1825 pursuant to a Dutch Royal Decree of 1824. RBS N.V.’s articles of association were last amended by deed of 1 April 2010 executed before Mr. B.J. Kuck, a notary public in Amsterdam. RBS N.V. is registered in the Commercial Register of Amsterdam under number 33002587. RBS N.V.’s registered office is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS N.V. is a wholly-owned subsidiary of RBS Holdings N.V. (previously named ABN AMRO Holding N.V.) (“**RBS Holdings**”), which is incorporated as a limited liability company under Dutch law by deed of 30 May 1990. The articles of association of RBS Holdings were last amended by deed of 1 April 2010 executed before Mr. M.W. Gajaart, a deputy of Mr. B.J. Kuck, a notary public in Amsterdam. The registered office of RBS Holdings is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

RBS Holdings owns 100 per cent. of RBS N.V.’s shares and is jointly and severally liable for all our liabilities in respect of the structured products pursuant to a declaration under Article 2:403 of the Dutch Civil Code.

RBS Holdings and the Issuer form part of The Royal Bank of Scotland Group plc (referred to as the “**Group**”, “**RBS**” or “**RBS Group**”).

Overview

The Issuer is a bank licensed by the Dutch Central Bank (*De Nederlandsche Bank*) and constitutes a strong and stable wholesale banking enterprise. RBS Group targets the highest possible credit rating for RBS N.V.

The Issuer operates on a significant scale across Europe, Middle East and Africa (EMEA), the Americas and Asia. At legal separation from the ABN AMRO group on 1 April 2010 (see the paragraph *Separation from the ABN AMRO group* below), RBS N.V. has a sizeable balance sheet, a significant staff presence and a broad set of products; provided by a sales force operating in approximately 50 countries (reducing over time following intended asset sales or exits of selected network countries). As at 31 December 2009, the RBS acquired businesses within RBS N.V. reported total consolidated assets of €275 billion and had more than 27,000 full time staff through a network of 264 offices and branches.

Headquartered in Edinburgh, the RBS Group operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, RBS Plc and Natwest. Both RBS Plc and Natwest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, RBS Group's subsidiary Citizens is a large commercial banking organization. RBS Group has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

Group Organisational Structure

RBS N.V. comprises the following core businesses:

- Global Banking & Markets: Global Lending, Equities, Short Term Markets & Funding, and Local Markets;
- Global Transaction Services: Global Lending, Transaction Banking and International Cash Management; and
- Risk & Restructuring: The Non-Core Division in Risk & Restructuring contains assets that are no longer core to RBS Group's strategic objectives and include Trading, Wholesale Banking and Retail & Commercial Business Units, as well as selected network countries. The assets will reduce over time through wind-down, sale or transfer.

These RBS N.V. businesses are part of global business units in the RBS Group that operate across multiple legal entities. The strategy of RBS N.V. is part of the overall businesses' strategies of the RBS Group.

Separation from the ABN AMRO group

On 17 October 2007 85.6 per cent. of the shares in ABN AMRO Holding N.V. was acquired through RFS Holdings B.V. ("**RFS Holdings**"), a company incorporated by a consortium consisting of the RBS, Fortis N.V., Fortis SA/NV ("**Fortis**") and Banco Santander S.A. each a "**Consortium Member**".

On 3 October 2008, the State of the Netherlands ("**Dutch State**") acquired all Fortis' businesses in The Netherlands, including the Fortis share in RFS Holdings. On 24 December 2008, the Dutch State purchased from Fortis Bank Nederland (Holding) N.V. its investment in RFS Holdings, to become a direct shareholder in RFS Holdings.

Agreement as to separation and debt instrument allocation

RBS and the Dutch State agreed that the Dutch State acquired businesses would be legally separated from the residual RBS acquired businesses into a new bank.

As part of the separation process the Consortium Members also came to an agreement on the economic allocation of issued debt instruments within ABN AMRO Bank N.V. to the individual Consortium Members' acquired businesses.

A list of the allocation of the issued debt instruments to the RBS and the Dutch State acquired businesses can be found in the Registration Document on pages 10 to 13, as supplemented.

The LaunchPAD Programme has been economically allocated to RBS N.V.

Legal demerger and legal separation process

On 30 September 2009 ABN AMRO Holding N.V. announced that a two-step approach would be taken to effect the legal separation of the assets and liabilities acquired by the Dutch State:

Step 1 – **“Legal Demerger”** Transfer of the majority of the Dutch State acquired businesses from ABN AMRO Bank N.V. (the **“Demerging Company”**) to a new legal entity, ABN AMRO II N.V. (the **“Acquiring Company”**). Following the demergers and the transfer of the Dutch State acquired businesses into the new bank, the Demerging Company was to be renamed The Royal Bank of Scotland N.V. The Acquiring Company, comprising the Dutch State acquired businesses, was to then be renamed ABN AMRO Bank N.V.

The Legal Demerger and the consequent name changes were successfully effected on 6th February 2010.

Step 2 – **“Legal Separation”**: Transfer of the shares of the renamed ABN AMRO Bank N.V. from ABN AMRO Holding N.V. to a new holding company fully owned by the Dutch State and independent of ABN AMRO Holding N.V. Following the transfer of the shares in ABN AMRO Bank N.V. to a new holding company, ABN AMRO Holding N.V. was to be renamed RBS Holdings N.V.

The Legal Separation and the consequent name change were successfully effected on 1 April 2010. This represents the final major milestone in the integration of the businesses and assets acquired by RBS.

Following Legal Separation, the Issuer's activities continue to be subject to Dutch Central Bank (*De Nederlandsche Bank*) and the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) supervision and on a consolidated basis as part of the RBS Group subject to UK Financial Services Authority supervision. Due to the change in the operating model of RBS N.V. compared to

pre-acquisition ABN AMRO Bank N.V. a licence renewal has been granted by the Dutch Central Bank on 3 February 2010.

Following Legal Separation a new managing board and supervisory board of RBS N.V. were appointed.

DOCUMENT INCORPORATED BY REFERENCE

The Issuer's registration document dated 1 July 2010 (the "**Registration Document**") prepared in accordance with Article 5(3) of the Prospectus Directive which has been (1) previously published or is published simultaneously with this Base Prospectus and (2) filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Act on Financial Supervision (*Wet op het financieel toezicht (Wft) 2007*) (the "**Competent Authority**") shall be incorporated in, and form part of, this Base Prospectus.

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the AFM shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- a) the publicly available consolidated financial statements of RBS Holdings in respect of the financial years ended 31 December 2009, 31 December 2008 and 31 December 2007 respectively and the auditor's reports for the respective years, as included in the annual report for those financial years;
- b) the unaudited pro forma condensed consolidated financial information relating to RBS Holdings N.V. for the year ended 31 December 2009 as included in the press release announcing completion of the legal separation dated 1 April 2010
- c) the Articles of Association (*statuten*) of each of RBS Holdings and RBS N.V. as in force and effect on the date of this prospectus;
- d) the terms of reference of the Audit Committee as set out in the Rules Governing the Supervisory Board's Principles and Best Practices dated 29 April 2010; and
- e) the publicly available press release in connection with the RBS Holdings N.V. first quarter 2010 financial results, dated 9 June 2010.

The Registration Document and copies of all documents incorporated by reference as mentioned above, are accessible at <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com or at the registered office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom.

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

TAXATION

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Security should consult their professional tax advisers.

1. GENERAL

Purchasers of Securities may be required to pay stamp taxes and other charges in accordance with the laws of practices of the country of purchase in addition to the issue or purchase price of each Security.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer or exercise of any Securities.

The Purchasers should be aware that tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

2. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

3. THE NETHERLANDS

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Where this summary refers to a holder of Securities, such reference is restricted to a holder holding legal title to as well as an economic interest in such Securities.

Withholding Tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that

the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25.5%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities

on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

Non-residents of the Netherlands

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (or has not opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25.5%.

- (ii) the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Securities which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or as a result of, the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax, unless in the case of a gift of the Securities by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

4. UNITED KINGDOM

The following applies only to persons who are the beneficial owners of the Securities and is a summary of the Issuer's understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs (“HMRC”) practice relating only to certain aspects of United Kingdom taxation. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities. Some aspects do not apply to certain classes of persons (such as persons carrying on a trade of dealing in Securities and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Holders of Securities depends on their individual circumstances and may be subject to change in the future. The precise tax treatment of a Holder of Securities will depend for each issue on the terms of the Securities, as specified in the Conditions of the Securities. Prospective Holders of Securities who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

Withholding Tax

Securities issued otherwise than through the Issuer's London branch

Payments of interest on these Securities may be made without withholding on account of United Kingdom income tax.

Securities issued by the Issuer's London branch

Payments made in respect of the Securities may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded as either interest or annual payments for United Kingdom tax purposes.

Even if such payments were to be regarded as interest or annual payments for United Kingdom tax purposes, the Issuer should not be required to withhold or deduct sums for or on account of United Kingdom income tax from payments made in respect of the Securities provided that the Securities are derivative contracts, the profits and losses arising from which are calculated in accordance with the provisions of Part 7 of the Corporation Tax Act 2009 (which broadly they should be provided that they are derivatives for the purposes of FRS25 (or International Accounting Standard 32) and are not excluded for the purposes of Part 7 of that Act by virtue of their underlying subject matter).

If interest payable on the Securities or if payments made in respect of the Securities were to be regarded as interest for United Kingdom tax purposes, provided that the Issuer's London branch is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "ITA 2007"), such payments may be made without withholding or deduction for or on account of United Kingdom income tax where the interest is paid in the ordinary course of the Issuer's London branch's business within the meaning of section 878 ITA 2007.

Payments of interest on or in respect of the Securities may also be made without deduction of or withholding for or on account of United Kingdom income tax if the Securities are and continue to be listed on a "recognised stock exchange", as defined in section 1005 of the ITA 2007. The Euronext Amsterdam is a recognised stock exchange. The Securities will therefore satisfy this requirement if they are (a) officially listed in the Netherlands in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Euronext Amsterdam, or (b) admitted to trading on another "recognised stock exchange" and officially listed in a country in which there is a "recognised stock exchange" in accordance with provisions corresponding to those generally applicable in EEA states. Provided, therefore, that the Securities are and remain so listed, interest on the Securities will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer's London branch carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where interest on or in respect of the Securities is paid by a company and, at the time the payment is made, the Issuer's London branch reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on or in respect of the Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on or in respect of Securities issued by the Issuer's London branch on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax

treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder of the Securities, HMRC can issue a notice to the Issuer's London branch to pay interest to the Holder of the Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

UK Information Gathering Powers

Irrespective of whether the Securities are issued by the Issuer's London branch, Holders of the Securities may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder of the Securities. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities (which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005) to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2011. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Holder of the Securities is resident for tax purposes.

Stamp Taxes

For the purposes of the following paragraphs, "**Exempt Loan Capital**" means any security which constitutes loan capital ("**Loan Capital**") for the purposes of section 78 of the Finance Act 1986 ("**FA 1986**") and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise) that are not Exempt Loan Capital; (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

Stamp duty on the issue of Securities

In relation to Securities in bearer form which are denominated in sterling and which are not Loan Capital, a charge to United Kingdom stamp duty at 1.5 per cent. of the value of such Securities may arise if issued in the United Kingdom. No stamp duty liability will arise on

the issue of such Securities if issued outside the United Kingdom. However, in relation to Securities of that kind originally issued outside the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Security a stamp duty liability at 1.5 per cent. of the value of such Security may arise. Furthermore, the issue of a Security which has characteristics of an option or any instrument granting such a Security may be subject to United Kingdom stamp duty. However, no stamp duty liability will arise on the issue or transfer of such Securities which constitute an interest in, a right to an allotment of or to subscribe for, or an option to acquire or to dispose of Exempt Loan Capital.

Stamp duty on the transfer of Securities

No United Kingdom stamp duty should be required to be paid on transfers of Securities on sale provided no instrument of transfer is used to complete such sales.

An instrument transferring a Security on sale of the Security which is executed in the United Kingdom or which (if not executed in the United Kingdom) relates to any matter or thing done or to be done in the United Kingdom may be subject to stamp duty at a rate of 0.5 per cent. of the consideration paid for the Securities if the Securities are either not Loan Capital and do not constitute an interest in, a right to an allotment of or to subscribe for, or an option to acquire or to dispose of Exempt Loan Capital or are Loan Capital but are not Exempt Loan Capital.

Stamp duty reserve tax (“SDRT”) on the issue of Securities to a Clearance Service

No SDRT should be payable in relation to the issue of a Security to any person providing a clearance service, or a nominee for any such person, within the meaning of section 96 FA 1986 (a “**Clearance Service**”) unless the Final Terms of that Security entitle the Holder of the Security to physical settlement and the Underlying consists of shares which are paired with shares (which are not “newly subscribed shares” as defined in section 99(12) FA 1986) issued by a body corporate incorporated in the United Kingdom.

Except where an election has been made under which the alternative system of charge as provided for in section 97A FA 1986 (a “**s97A Election**”) applies, SDRT at a rate of 1.5 per cent may be payable on the issue or transfer of a Security to a Clearance Service where the Final Terms of that Security entitle the Holder of the Security to physical settlement and the Underlying consists of shares which are paired with shares (which are not “newly subscribed shares” as defined in section 99(12) FA 1986) issued by a body corporate incorporated in the United Kingdom.

The ECJ has found in C-569/07 HSBC Holdings plc and Vidacos Nominees Ltd v The Commissioners of Her Majesty's Revenue & Customs (Case C-569/07) that the 1.5 per cent. charge is contrary to EU Community Law where shares are issued to a clearance system. HMRC has subsequently indicated that it will not levy the charge on shares issued to a clearance system within the EU. It is not clear the extent to which this decision applies to the Securities or the way in which any change in legislation or HMRC practice in response to this decision may alter the position outlined above.

SDRT on the transfer of Securities held within a Clearance Service

SDRT should generally not be payable in relation to an agreement to transfer a Security held within a Clearance Service provided that no s97A Election has been made.

SDRT on the transfer of Securities held outside a Clearance Service or held within a Clearance Service where a s97A Election has been made

In the case of Securities held outside a Clearance Service or Securities held within a Clearance Service where a s97A Election has been made, no SDRT should be payable in relation to any agreement to transfer a Security unless the Final Terms of that Security entitle the Holder of the Security to physical settlement and the Underlying consists of either: (i) stocks, shares or loan capital for the purposes of section 99(3) FA 1986 which are not Exempt Loan Capital and which are registered in a register kept in the United Kingdom; or (ii) shares which are paired with shares issued by a body corporate incorporated in the United Kingdom, unless (in either case) that Security is in bearer form.

In the case of Securities held outside a Clearance Service or Securities held within a Clearance Service where a s97A Election has been made, SDRT should generally be payable in relation to any agreement to transfer a Security where the Final Terms of that Security entitle the Holder of the Security to physical settlement and the Underlying consists of either: (i) stocks, shares or loan capital for the purposes of section 99(3) FA 1986 which are not Exempt Loan Capital and which are registered in a register kept in the United Kingdom; or (ii) shares which are paired with shares issued by a body corporate incorporated in the United Kingdom, unless (in either case) that Security is in bearer form. SDRT would be payable at a rate of 0.5 per cent. of the consideration given under an agreement to transfer such Securities, unless the transfer is to a depositary for a Clearance Service or to a person issuing depositary receipts (or to an agent or nominee of such a person) where SDRT may be payable at a rate of 1.5 per cent..

Stamp duty and SDRT on the exercise or redemption of the Securities

Stamp duty and SDRT may also be payable on the transfer of an asset on physical settlement of the Securities.

5. LUXEMBOURG

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

TAXATION OF THE HOLDERS OF SECURITIES

Withholding Tax

(i) Non-resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the “**Laws**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(ii) Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the “**Law**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10 per cent.

SELLING RESTRICTIONS

The statements which follow are of a general nature. Potential purchasers in each jurisdiction must ensure that they are able validly to take delivery of the Securities and any assets into which they may convert or be settled. Additional certifications may be required by the Issuer and/or any clearance system at the time of exercise and/or settlement.

1. GENERAL

No action has been or will be taken by the Issuer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

2. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Issuer represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Securities referred to in (b) to (e) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

3. THE NETHERLANDS

Securities which qualify as savings certificates as defined in the Savings Certificates Act (“*Wet inzake spaarbewijzen*”) may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of:

- (a) the initial issue of those Securities to the first holders thereof;
- (b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and
- (c) the issue and trading of those Securities, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

4. UNITED STATES

No Securities of any Series have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act as amended the (the “**CEA**”). No Securities of any Series, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Offers, sales, resales or deliveries of Securities of any Series, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales, resales, trades or deliveries of Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, may constitute a violation of United States law governing commodities trading.

Securities having a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”). Securities having a maturity of one year or less are not subject to the C Rules and will be referred to in the relevant Final Terms as a transaction to which the C Rules are not applicable.

The Securities subject to the C Rules may not be offered, sold or delivered within the United States, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the “**Code**”) and the U.S. Treasury regulations thereunder.

The Issuer will require each dealer participating in the distribution of Securities subject to the C Rules to agree that it will not at any time offer, sell, resell or deliver, directly or indirectly, the Securities in the United States or to others for offer, sale, resale or delivery, directly or indirectly, in the United States. Further, the Issuer and each dealer to which it sells the Securities will represent and agree that in connection with the original issuance of such Securities that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States and will not otherwise involve its U.S. office in the offer or sale of such Securities. The terms used in the preceding sentence (and not otherwise defined below) have the meanings given to them by the Code and the U.S. Treasury regulations thereunder, including the C Rules.

As used herein, “**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and “**U.S. person**” means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, a partnership or other entity organized in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organized principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “U.S. Person” as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the CEA.

Notice to purchasers and holders of restricted securities and transfer restrictions

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge, represent and agree as follows:

- (a) that trading in the Securities has not been and will not be approved by the CFTC under the CEA;
- (b) that it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities of such Series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;
- (c) that it is not purchasing any Securities of such Series for the account or benefit of any U.S. person;
- (d) that it will not make offers, sales, resales or deliveries of any Securities of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;
- (e) that it will send each person who purchases any Securities of such issue from it a written confirmation (which shall include the definitions of United States and U.S. person set forth herein) stating that the Securities have not been registered under the Securities Act,

that trading in the Securities has not been approved by the CFTC under the CEA and stating that such purchaser agrees that it will not at any time offer, sell, resell or deliver any of such Securities, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

- (f) that no U.S. person or person in the United States may at any time trade or maintain a position in the instruments and that a person entitled to receive an interim payment or exercising (or entitled to receive any amount at maturity or exercise under) the instrument will be required to certify that neither it nor the beneficial owner of the instrument is a U.S. person or is located in the United States;
- (g) that any person exercising a Security will be required to represent that it is not a U.S. person; and
- (h) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to the expiration of the Distribution Compliance Period, it will do so only (a) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (b) in accordance with all applicable United States state securities laws; and it acknowledges that the Regulation S Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND THE SECURITIES MAY NOT BE EXERCISED, OFFERED, SOLD, TRANSFERRED OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.

5. UNITED KINGDOM

The Issuer represents, warrants and agrees that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and it has complied and will

comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

6. INDIA

Any purchase of the Securities relating to or linked to securities listed on a stock exchange in India or indices that reference such securities should be made on the understanding that the purchaser shall be deemed to acknowledge, represent, warrant and undertake to the Group that:

- (a) it consents to the provision by the Group to any Indian governmental or regulatory authority of any information regarding it and its dealings in the Securities as required under applicable Indian regulations and/or as requested by any Indian governmental or regulatory authority;
- (b) it agrees to promptly provide to the Group, or directly to the relevant Indian governmental or regulatory authority (and confirm to the Group when it has done so), such additional information that the Group deems necessary or appropriate in order for the Group to comply with any such regulations and/or requests;
- (c) the Securities are not being purchased for the account of or pursuant to or in connection with any back-to-back transaction with: (i) a Person Resident in India as the term is used in the Foreign Exchange Management Act, 1999; or (ii) a “Non-Resident Indian”, a “Person of Indian Origin” or an “Overseas Corporate Body”, as such terms are used in the Foreign Exchange Management (Deposit) Regulations 2000 as notified by the Reserve Bank of India; or (iii) any entity or person that is not regulated (as such term is used in the Securities and Exchange Board of India (Foreign Institutional Investors Amendment) Regulations, 2004) (each, a “Restricted Entity”) or a nominee of a Restricted Entity;
- (d) it is not a Restricted Entity or a nominee of a Restricted Entity;
- (e) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of the Securities to or for the account of any Restricted Entity or to any nominee of any Restricted Entity; and
- (f) any sale, transfer, assignment, novation or other disposal of the Securities by it, whether direct or indirect, will be subject to the acquiring entity giving substantially the same representations and warranties to it as set out in sub-paragraphs (c) to (f) (inclusive).

The Securities have not been approved by the Securities and Exchange Board of India, Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. This Base Prospectus has not been and will not be registered as a prospectus or a statement in lieu of prospectus with the Registrar of Companies in India.

Prospective investors must seek legal advice as to whether they are entitled to subscribe to the Securities and must comply with all relevant Indian laws in this respect. Each investor is deemed to have acknowledged and agreed that it is eligible to invest in the Securities under applicable laws and regulations and that it is not prohibited under any law or regulation in India from acquiring, owning or selling the Securities.

7. HONG KONG

The Securities may not be offered or sold in Hong Kong, by means of any document, other than (i) to persons whose ordinary business is to buy and sell shares and debentures (whether as principal or agent); or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made thereunder (the “SFO”); or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. Unless permitted to do so under the laws of Hong Kong, no Holder may issue or have in its possession for the purpose of issue any advertisement, invitation or document relating to the Securities whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to the Securities intended to be disposed of only to persons outside Hong Kong, or only to “professional investors” within the meaning of the SFO.

8. SINGAPORE

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor specified in Section 274 of the SFA; (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the

conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA which has subscribed or purchased Securities, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Securities under Section 275 of the SFA except:

- (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA;
- (ii) where no consideration is given for the transfer;
- (iii) by operation of law; or
- (iv) pursuant to Section 276(7) of the SFA.

9. TAIWAN

The Securities may not be sold, offered or issued in Taiwan unless they are made available for purchase through the non discretionary trust services of licensed Taiwan banks or the brokerage services of licensed Taiwan brokers acting as trustees or agents, as applicable, of their customers and not as agent of the Issuer or any other party.

SALES WITHIN THE UNITED STATES

Information under this heading is applicable only to Securities which are in registered form and are offered to QIBs in reliance on Rule 144A.

The Selling Restrictions set out herein apply only to those Securities which are Equity Certificates. Only the Equity Certificates and no other Securities pursuant to this Base Prospectus will be offered into the U.S. or to U.S. investors.

General

The Securities have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or political subdivision of the United States, and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an exemption from, or in a transaction not subject to the requirements of the Securities Act and any applicable U.S. state securities laws. The Securities are being offered and sold only: (i) outside the United States to persons other than U.S. persons (as defined in Regulation S under the Securities Act) in offshore transactions that meet the requirements of Regulation S under the Securities Act (“**Regulation S**”); and (ii) to U.S. persons who are “qualified institutional buyers” (as defined in Rule 144A of the Securities Act).

Certain Series of the Securities (each a “**Relevant Series**”) may be offered and sold in reliance upon Regulation S outside the United States to non-U.S. persons and, with respect to Securities in registered form only, within the United States (1) in reliance upon Rule 144A under the Securities Act (“**Rule 144A**”) to qualified institutional buyers within the meaning of Rule 144A (“**QIBs**”) or (2) in transactions otherwise exempt from registration, in each case as further specified herein. Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Effective from the date of commencement of discussions concerning a Relevant Series, each Holder and its respective employees, representatives or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Relevant Series and all materials of any kind, including opinions or other tax analyses, if any, that have been provided to such Holder relating to such tax treatment and tax structure. However, the foregoing does not constitute an authorisation to disclose the Issuer’s identity or that of its affiliates, agents or advisors or, except to the extent relating to such tax structure or tax treatment, any specific pricing terms or commercial or financial information.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B (**RSA 421-B**) OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, OR SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available Information

To permit compliance with Rule 144A under the Securities Act in connection with sales of any Securities, the Issuer has undertaken to furnish, upon the request of a Holder of such Securities, or a beneficial owner of an interest therein, to such Holder or beneficial owner or to a prospective purchaser designated by such Holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions

As a result of the following restrictions, purchasers of Securities in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities.

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge, represent and agree as follows (unless otherwise specified, terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that for so long as the Securities are “restricted securities” (as defined in Rule 144 under the Securities Act) either: (a) it is a QIB, purchasing (or holding) the Securities for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of

such Security has been advised, that any sale to it is being made in reliance on Rule 144A, or
(b) it is outside the United States and is not a U.S. person;

- (ii) that in issuing the Securities, the Issuer is not making, and has not made any representations whatsoever as to any of the issuer of the Shares (the “**Underlying Issuer**”) or any information contained in any document filed by the Underlying Issuer with any exchange or with any governmental entity regulating the purchase and sale of securities or the Securities;
- (iii) that the Issuer and any affiliate of the Issuer may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the Underlying Issuer that is or may be material in the context of the Securities and which is or may not be known to the general public or the Holder. The Securities do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to the Holder any such relationship or information (whether or not confidential) and neither the Issuer nor any other affiliate of the Issuer shall be liable to the Holder by reason of such non-disclosure. No such information has been used in the selection of the Underlying Issuer for the Securities;
- (iv) that the Issuer and any affiliate of the Issuer may have existing or future business relationships with the Underlying Issuer (including, but not limited to, lending, depository, risk management, advisory or banking relationships) and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a Holder of the Securities;
- (v) that the market value of the Securities may be adversely affected by movements in the value of the Shares or in interest rates or currency exchange rates;
- (vi) trading in the Securities has not been and will not be approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act;
- (vii) that the Securities are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and that the Securities have not been and will not be registered under the Securities Act or any other applicable United States state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (viii) that if in the future it decides to resell, or otherwise transfer the Securities or any beneficial interests in the Securities, it will do so, for so long as the Securities are restricted securities, only (a) to the Issuer or any affiliate thereof, (b) pursuant to an effective registration statement under the Securities Act, (c) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (d) outside the United States in compliance with Rule 903 or 904 under the Securities Act, or (e) pursuant to an exemption from registration under the Securities Act, in each case in accordance with all applicable United States state securities laws;
- (ix) it will, and will require each subsequent Holder to, notify any purchaser of the Securities from it of the resale restrictions referred to in paragraph (viii) above, if then applicable;
- (x) that Securities offered in the United States to QIBs will be represented by one or more Rule 144A Global Securities and that Securities offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Securities;
- (xi) that the Rule 144A Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS SECURITY, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, ACKNOWLEDGES THE RESTRICTIONS ON TRANSFER SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER SUCH SECURITIES ONLY AS PROVIDED HEREIN. BY ITS ACQUISITION THEREOF, THE HOLDER OF THIS SECURITY OR AN INTEREST HEREIN REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY OR AN INTEREST HEREIN FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS. EACH PURCHASER OF THIS SECURITY OR AN INTEREST HEREIN IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY OR AN INTEREST HEREIN MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY OR AN INTEREST HEREIN, BY

ITS ACCEPTANCE THEREOF, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY, FOR SO LONG AS THIS SECURITY IS A “RESTRICTED SECURITY” (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) ONLY (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION. THE HOLDER (OR BENEFICIAL HOLDER) WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH.

IF AT ANY TIME ANY TRANSFER AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS GLOBAL SECURITY WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT SET FORTH IN ANY TRANSFER CERTIFICATE, THEN THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A “DISQUALIFIED TRANSFEREE”) AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A MANAGER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS SECURITY IS PERMISSIBLE UNDER THE SECURITIES ACT.”;

- (xii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Securities prior to the expiration of the Distribution Compliance Period (as defined in Rule 902 under the Securities Act), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable United States state securities laws; and it acknowledges that the Regulation S Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION.”

- (xiii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of interests in a Rule 144A Global Security to any one purchaser, will be for less than U.S.\$100,000 (or its foreign currency equivalent) nominal amount. No interest in a Rule 144A Global Security will be issued in connection with a sale in a smaller applicable nominal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) nominal amount of Securities.

ERISA

The Issuer and certain affiliates of the Issuer may each be considered a “party in interest” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or a “disqualified person” within the meaning of the Internal Revenue Code of 1986, as amended, (the “Code”) with respect to certain employee benefit plans and individual retirement accounts, Keoghs and other plans subject to Section 4975 of the Code. Prohibited transactions within the meaning of ERISA or the Code may arise, for example, if the Securities are acquired by or with the assets of a pension or other employee benefit plan or account with respect to which the Issuer or any of its affiliates is a service provider, unless the Securities are acquired pursuant to an exemption from the prohibited transaction rules. Similar rules may also apply to certain governmental plans (as defined in Section 3(32) of ERISA) church or non U.S. plans, to the extent such plans are subject to provisions similar to the prohibited transaction rules under other federal, state, local or non-U.S. laws.

The assets of a pension or other employee benefit plan may include assets held in the general account of an insurance company that are deemed to be “plan assets” under ERISA.

The acquisition of the Securities may be eligible for one of the exemptions noted below if such acquisition:

- (a) (i) is made solely with the assets of a bank collective investment fund and (ii) satisfies the requirements and conditions of Prohibited Transaction Class Exemption (“PTCE”) 91-38 issued by the Department of Labor (“DOL”);
- (b) (i) is made solely with assets of an insurance company pooled separate account and (ii) satisfies the requirements and conditions of PTCE 90-1 issued by the DOL;
- (c) (i) is made solely with assets managed by a qualified professional asset manager and (ii) satisfies the requirements and conditions of PTCE 84-14 issued by the DOL;
- (d) (i) is made solely with assets of a governmental, church or non-U.S. plan, and (ii) is not subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code;
- (e) (i) is made solely with assets of an insurance company general account and (ii) satisfies the requirements and conditions of PTCE 95-60 issued by the DOL;
- (f) (i) is made solely with assets managed by an in-house asset manager and (ii) satisfies the requirements and conditions of PTCE 96-23 issued by the DOL; or
- (g) is made in accordance with Section 408(b)(17) to a non-fiduciary service provider for adequate consideration.

By its purchase of any Security and by each subsequent transferee’s purchase of any Security, each Holder and each subsequent transferee will be deemed to have represented and warranted on each day from the date on which it acquires the Security through and including the date on which it disposes of its interest in the Security, either that (A) it is not a plan subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or, (B)(i) its purchase, holding and disposition of the Security will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 or the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. law) or any other violation of an applicable requirement of ERISA of the Code (including, without limitation, Section 404(b) of ERISA and DOL regulation section 2550.404b-1) for which an exemption is not available, and (ii) neither the Issuer nor any of its affiliates is a “fiduciary” (within the meaning of Section 3(21) of ERISA) with respect to it by reason of its investment in the Securities and no advice that has been provided to it by the Issuer or any of its affiliates has formed a primary basis for any investment decision by it made in connection with the Securities. By its purchase of any Security, each Holder hereby indemnifies the Issuer, its

subsidiaries and affiliates, and its officers, directors, advisors and other representatives and any of their subsidiaries or affiliates, against any direct or indirect liability that arises from any breach (whether or not intentional) of the foregoing representations.

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge that the purchase of the Security may not satisfy the indicia of ownership requirements under ERISA (Section 404(b)) and the Issuer makes no representations in connection therewith. Accordingly, benefit plan investors that are subject to ERISA should consult with their own counsel to determine whether the purchase of Securities will satisfy the indicia of ownership requirements of ERISA applicable to such purchase.

Any insurance company or pension or employee benefit plan proposing to invest in the Securities should consult with its legal counsel. Purchasers of the Securities have exclusive responsibility for ensuring that their purchase and holding of the Securities does not violate the fiduciary and prohibited transaction rules of ERISA, the Code or any similar laws or rules.

GENERAL INFORMATION

Authorisation

The Issuer's managing board, in its capacity as the Issuer's representative, is responsible for issuing debt instruments. The Issuer's managing board has delegated the issue of debt instruments, including the Securities, to the Group Asset and Liability Committee pursuant to a resolution dated 1 April 2010. In addition, the issue of Securities has been approved by the Issuer's supervisory board pursuant to a resolution dated 1 April 2010 and in accordance with the Issuer's articles of association. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of the Securities.

Listing

Application will be made to NYSE Euronext or any other stock exchange or market for Securities issued up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading and to be listed on Euronext Amsterdam by NYSE Euronext or any other stock exchange or market. Certain Securities issued under this Base Prospectus may not be listed. For so long as the Securities are listed on Euronext Amsterdam by NYSE Euronext and NYSE Euronext requires so there will be a paying agent in The Netherlands. ABN AMRO Bank N.V. MF 2020 Kemelstede 2, P.O. Box 3200, 4800 DE Breda, The Netherlands, has been appointed as the initial paying agent in The Netherlands.

Documents available

During the validity of this Base Prospectus, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer and from the specified office of the Agent:

- (a) the most recent Articles of Association of the Issuer;
- (b) the consolidated audited financial statements of RBS Holdings N.V. in respect of the financial years ended 31 December 2008 and 31 December 2009 together with the audit reports thereon;
- (c) all future consolidated financial statements of the Issuer;
- (d) a copy of the Registration Document;
- (e) a copy of this Base Prospectus; and

(f) the applicable Final Terms.

The Registration Document, copies of all documents incorporated by reference and other documents as mentioned above, are accessible at <http://markets.rbs.com/bparchive> and can be obtained, on request, free of charge, by writing or telephoning, The Royal Bank of Scotland Group Investor Relations, 280 Bishopsgate, London EC2M 4RB, United Kingdom, telephone +44 207 672 1758, email investor.relations@rbs.com or at the registered office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom

Clearing and settlement systems

The Securities have been accepted for clearance through Clearstream Banking AG (“**Clearstream AG**”), Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”), Euroclear Bank, S.A./N.V. (“**Euroclear Luxembourg**”) Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and SIX SIS Ltd (“**SIX SIS Ltd**”). The appropriate WKN, Common Code, International Securities Identification Number and Valoren for each Series allocated by Clearstream AG, Euroclear Netherlands, Euroclear, Luxembourg, Clearstream, Luxembourg and SIX SIS Ltd, and any other relevant security code allocated by any other relevant clearing system, will be specified in the applicable Final Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate additional or alternative information will be specified in the applicable Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

Information on the Offering of the Securities

(a) **Offer Process**

For a short period prior to the Launch Date specified in the applicable Final Terms, the Securities of the relevant Series may be offered by the Issuer for subscription to prospective investors but the Issuer reserves the right to close subscription early. The Issuer anticipates that it will deliver the Final Terms in respect of each Series of the Securities which are to be admitted to trading and listed on Euronext Amsterdam by NYSE Euronext or other stock exchange prior to the commencement of the Subscription Period specified in the Final Terms or prior to the Launch Date specified in the Final Terms if there is no Subscription Period. On or about the Launch Date the Issuer will, pursuant to its agreement with NYSE Euronext or other stock exchange, as the case may be, offer to buy or sell the Securities of any Series to be admitted to trading and listed on Euronext Amsterdam or any other stock exchange (as applicable). Any such trading, if any, will be on an as, if and when issued basis until the Issue Date specified in the applicable Final Terms. Except in the case of dematerialised or SIS cleared Securities, the Securities will be in global bearer form and all trades will be settled in the applicable clearing systems on their usual basis for secondary market transactions. Other than the issue price of the Securities of the relevant Series, each prospective investor shall not be required to pay any expenses to the Issuer in order to subscribe for the relevant Securities.

Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as the Issuer may decide. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

(b) Description of the Application and Payment Process for a Prospective Purchaser

Applications for Securities may be made by a prospective purchaser through any broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a “**Selling Agent**”) which has a relationship with the Issuer governing the sale of the Securities. Pursuant to anti-money laundering regulations, prospective purchasers who are not an existing client of a Selling Agent may be required by their Selling Agent of choice to complete an anti-money laundering form and to provide further evidence of identification in advance of applying for any Securities.

Each prospective purchaser should ascertain from its Selling Agent of choice when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for Securities and the manner in which payment should be made to the Selling Agent. Each Selling Agent may impose different arrangements relating to the purchase of Securities and prospective investors should contact the Selling Agents directly for information concerning such arrangements. Applicants for Securities who arrange to purchase the Securities through a Selling Agent should note that in doing so they are assuming the credit risk of the relevant Selling Agent and that such arrangements will be subject to the applicable conditions of the relevant Selling Agent.

(c) Conditions to Which the Offer is Subject

The offer, in respect of a particular Series of Securities is subject to the Conditions as set out in this Base Prospectus, the relevant Final Terms and any document incorporated by reference (see *Documents Incorporated by Reference*).

(d) Minimum/Maximum Application Amount

Investors are required to subscribe for a minimum of one (1) Security and thereafter in multiples of one (1) Security unless otherwise specified in the relevant Final Terms in respect of the relevant Series of the Securities. There is no maximum subscription amount unless otherwise stated in the relevant Final Terms in respect of the relevant Series of the Securities.

(e) Scale-back and Cancellation

The Issuer reserves the right, prior to the Issue Date, in its absolute discretion to:

1. decline in whole or in part an application for Securities such that a prospective purchaser for Securities may, in certain circumstances, not be issued the number of (or any) Securities for which it has applied (“**Scale-back**”); or
2. withdraw, cancel or modify the offer of the Securities (“**Cancellation**”).

The Issuer may Scale-back or Cancel the Securities without notice and will notify prospective investors of such Scale-back or Cancellation after such Scale-back or Cancellation has occurred. In the event that the Securities are not issued, no subscription monies shall be payable by prospective purchasers to the Issuer (either directly or indirectly through a Selling Agent (as defined above)) in respect of the Securities. Prospective purchasers should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. The Issuer shall have no responsibility for, or liability arising out of, the relationship between prospective purchasers and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

(f) Details of the Manner in Which the Results of the Initial Offer are to be Made Public

A prospective investor submitting an offer to purchase Securities will be notified of the acceptance or otherwise of such application on or prior to the Issue Date.

(g) Categories of Investors to which Securities are Offered

The Securities will be offered to both retail and qualified investors.

(h) Expenses and Taxes

Any expenses are described in the relevant Product Conditions and Final Terms for the relevant Series and will be deducted accordingly. For further information on the taxes, please refer to the section titled "Taxation".

(i) Post-issuance information

The Issuer does not intend to provide any post-issuance information.

(j) Description of the Securities

Certificates are investment instruments which, when exercised or terminated pay an amount determined by reference to the level of the underlying currency, commodity, index (including in the case of an index, the index and its constituent elements), stock, bond or other product, subject to the certificate entitlement. As such, certificates entail the same level of risk as a direct investment in the Underlying. Investors should be aware that their entire investment may be lost in the event that the Underlying is valued at zero. However, investors are able to hold certificates in the expectation of a recovery in the price of the Underlying.

The price at which a holder will be able to sell certificates may be at a potentially substantial discount to the market value of the certificates at the issue date, if, at such time and in addition to any other factors, the value of the Underlying is below, equal to or not sufficiently above the value of the Underlying at the issue date.

Open end certificates are similar to ordinary certificates, in that they track in a linear manner the Underlying. The difference between an open end certificate and an ordinary certificate is that an open end certificate does not have an expiration date or maturity date but will instead continue indefinitely until either the Holder exercises or the Issuer terminates the certificates.

Where the settlement currency is different to the underlying currency, an open end certificate may have a quanto feature (effectively a fixed rate of exchange between the two currencies for the duration of the certificate) and the Issuer may charge the Holder for arranging and maintaining such quanto feature by way of reducing the amount received by the Holder on exercise or termination.

Open end certificates may be issued in relation to a wide range of Underlyings, including, without limitation, commodities, indices, forward or future contracts related to one or more commodities, funds, baskets of indices and funds and other assets.

The spread certificates are leverage type investment instruments, which are not comparable to a direct investment in the underlying assets, because the value of the certificates is linked to the relative performance between two underlying assets comprising a long position in one underlying asset and a short position in another underlying asset. This relative performance is expressed as a percentage rate. Spread certificates contain features including stop-loss, which if breached will result in the early termination of the certificate and issuer automatic call, both of which are based on closing levels of the Underlying.

Third Party Information

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CONDITIONS: GENERAL CONDITIONS

The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions or the applicable Final Terms and, if not so defined, shall be inapplicable. References in these General Conditions to interest and Coupons (and related expressions) shall be ignored in the case of Securities which do not bear interest. References in these General Conditions to the Conditions shall mean these General Conditions and, in relation to any Securities, the Product Conditions applicable to those Securities.

2. STATUS

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

3. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

- (a) Notices to Holders shall be given by the delivery of the relevant notice to the Clearing Agent(s) with an instruction from the Issuer to the Clearing Agent(s) to communicate such notice to the Holders. The Issuer shall also ensure that notices are duly published, to the extent required, in a manner which complies (i) with the rules of any stock exchange or other relevant authority on which the Securities are for the time being listed or in the country in which such Securities have been admitted to trading and (ii) with any relevant legislation.
- (a) (b) Any such notice issued pursuant to General Condition 4(a) by being delivered to the Clearing Agent(s) will be deemed to have been given on the date of the delivery of such notice to the Clearing Agent(s). Any such notice issued pursuant to General Condition 4(a) by being published will be deemed to have been given on the date of the first publication (for the avoidance of doubt, such notice having been published by any valid means) or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

5. HEDGING DISRUPTION

- (a) Notification. The Issuer shall as soon as reasonably practicable give instructions to the Calculation Agent to notify the Holders in accordance with General Condition 4(a): (i) if it determines that a Hedging Disruption Event has occurred; and (ii) of the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to General Condition 5(c).
- (b) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if the Issuer acting in good faith and in a commercially reasonable manner, determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer or any Hedge Provider wholly or partially to (i) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of a relevant hedging transaction (a “**Relevant Hedging Transaction**”) or asset it deems necessary, appropriate or desirable to hedge the Issuer’s obligations in respect of the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). The reasons for such determination by the Issuer may include, but are not limited to, the following:
 - (i) the Issuer or any Hedge Provider will, whether directly or indirectly, incur a material increase (as compared with circumstances existing on the Issue Date) in the amount of tax, duty, expense (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect

on its tax position) or fee (other than brokerage commissions) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or the Hedge Provider shall not be considered for the purposes of this sub-paragraph (i); or

- (ii) any material illiquidity in the market for, or any mandatory redemption in whole or in part of, the relevant instruments (the “**Disrupted Instrument**”) which from time to time are included in the reference asset to which the Securities relate; or
- (iii) a change in any applicable law or regulation (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority); or
- (iv) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or
- (v) 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.

In the Conditions:

“**Hedge Position**” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in reference assets to which the Securities relate, securities, options, futures, derivatives or foreign exchange, (ii) securities lending transactions or (iii) other instruments or arrangements (however described) by the Issuer in order to hedge the Issuer’s risk of issuing, and performing its obligations with respect to, the Securities; and

“**Hedge Provider**” includes but is not limited to the Issuer, any associate, subsidiary or affiliate thereof and/or The Royal Bank of Scotland plc and/or any other party(ies) and/or any special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer’s hedging arrangements in respect of the Securities.

- (c) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
 - (i) terminate the Securities. In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination

less the cost to the Issuer of unwinding any related hedging arrangements. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date (if applicable), any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, such present value being determined by the Calculation Agent. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4;

- (ii) make an adjustment in good faith to the relevant reference asset by removing the Disrupted Instrument at its fair market value (which may be zero). Upon any such removal the Issuer may: (A) hold any notional proceeds (if any) arising as a consequence thereof and adjust the terms of payment and/or delivery in respect of the Securities; or (B) notionally reinvest such proceeds in other reference asset(s) if so permitted under the Conditions (including the reference asset(s) to which the Securities relate);
 - (iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such adjustment will in no way affect the Issuer's obligations to make payment to the Holders not less than the minimum assured return of principal and/or interest or coupons on the relevant Settlement Date or Maturity Date, or Interest Payment Date, as applicable.
- (d) The Issuer may also make adjustments to the Conditions if it determines that an event has occurred which, whilst not a Hedging Disruption Event or other disruption event as specified in Product Condition 4, is likely to have a material adverse effect on the Issuer's Hedge Position. Where the Issuer makes adjustments to the Conditions pursuant to this General Condition 5(d), the Issuer shall notify the Holders thereof and shall offer to purchase from Holders for a period of not less than 10 days any Securities held by them at their fair market value (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner and taking into

account the proposed adjustment) less the cost to the Issuer of unwinding any related hedging arrangements.

6. PURCHASES, FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

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

7. DETERMINATIONS AND MODIFICATIONS

- (a) Determinations.
 - (i) In making any determinations and calculations under these Conditions, the Issuer and the Calculation Agent shall act at all times in good faith and in a commercially reasonable manner. All such determinations and calculations by the Issuer and the Calculation Agent shall, in the absence of manifest error, be final and binding.
 - (ii) Whilst it is intended that the Issuer and the Calculation Agent will employ the methodology described in the Conditions to make determinations in respect of the Securities, no assurance can be given that market, regulatory, judicial or fiscal circumstances or, without limitation, any other circumstances will not arise that would necessitate a modification or change in such methodology in order that the Securities replicate as closely as possible investments in the assets underlying the Securities and its components. The Issuer and the Calculation Agent may make any such modification or change to such methodology that it considers necessary to reflect such circumstances.
 - (iii) Calculations made by the Issuer or the Calculation Agent in respect of the Securities shall be made on the days specified herein; however, notwithstanding the foregoing or anything else contained in these Conditions,

should the Issuer or the Calculation Agent determine that in order to give effect to the methodology described in these Conditions it is necessary to make calculations on a day or days other than that specified, then each of the Issuer and the Calculation Agent is permitted to make such calculations on such calendar day or days as it shall determine.

- (iv) Due to timing considerations, process requirements and other matters that would, in the opinion of the Issuer or the Calculation Agent, be relevant in relation to the implementation of asset allocation models, the Issuer or the Calculation Agent may need to make appropriate adjustments to the methodology set out in the terms and conditions as it considers necessary in order to reflect the timing and amounts that would be applicable were the Issuer or the Calculation Agent physically implementing the methodology set out in the Securities.
- (b) Modifications. The Issuer may, without the consent of the Holders or any of them, modify any provision of the Conditions which is: (i) of a formal, minor or technical nature; (ii) made to correct a manifest error; or (iii) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

8. SUBSTITUTION

- (a) Substitution of Issuer. The Issuer may at any time without the consent of the Holders substitute for itself as issuer of the Securities with regard to any and all rights, obligations and liabilities under and in connection with the Securities:
 - (A) The Royal Bank of Scotland plc, registered in Scotland under No. 90312, with its registered office at 36 St Andrew Square, Edinburgh EH2 2YB, (“**RBS plc**” or the “**Substitute**”) subject to the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; or
 - (B) any entity other than RBS (also, the “**Substitute**”), subject to:
 - either (x):
 - (i) the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4; and

(ii) the Issuer or RBS plc having issued a legal, valid and binding guarantee of the obligations and liabilities of the Substitute under the Securities for the benefit of each and any of the Holders;

or (y):

(i) the Issuer having given at least three months' prior notice of the date of such substitution to the Holders in accordance with General Condition 4; and

(ii) each Holder, from (and including) the date of such notice, to (and including) the date of such substitution, being entitled to terminate the Securities held by such Holder without any notice period in which event the Issuer will, if and to the extent permitted by Applicable Law, pay to such Holder with respect to each Security held by such Holder an amount calculated by the Issuer as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Where the Securities contain provisions which provide for a minimum assured return of principal or a minimum assured return of interest or other payments, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date (if applicable) any such amount to be paid shall not be less than the present value of the minimum assured return of principal and/or interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, such present value being determined by the Calculation Agent. Payment will be made to the Holder in such manner as shall be notified to the Holders in accordance with General Condition 4;

and in each case subject to all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect.

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

(b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

9. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay any tax, duty or charge in connection with the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

10. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have been given to Holders in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued. This General Condition will not apply to Securities issued in dematerialised form.

11. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:
- (i) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;
 - (ii) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a National Currency Unit (the “**Original Currency**”) of a

country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and

- (iii) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (b) **Adjustment to Conditions.** The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) **Euro Conversion Costs.** Notwithstanding General Condition 11(a) and/or General Condition 11(b), none of the Issuer, the Calculation Agent nor any Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.
- (d) **Definitions Relating to European Economic and Monetary Union.** In this General Condition, the following expressions have the meanings set out below.

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency or, as the case may be, the Settlement Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

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

“**Treaty**” means the treaty establishing the European Community, as amended.

12. AGENTS

- (a) **Principal Agent and Agents.** The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the “**Principal Agent**”) shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction and provided further that, if and to the extent that any of the Securities are in registered form, there shall be a Registrar and a Transfer Agent (which may be the Registrar), if so specified in the relevant Product Conditions. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) **Calculation Agent.** The Issuer or such other Calculation Agent as specified in the applicable Final Terms, shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor calculation agent or assignee as approved by the Issuer) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

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

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

13. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. This General Condition will not apply to Securities issued in dematerialised form.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

15. GOVERNING LAW AND JURISDICTION

(a) The Securities and any non-contractual obligations arising out of or in connection with the Securities, are governed by and shall be construed in accordance with English law.

(b) The courts of England have exclusive jurisdiction to settle any dispute (including any dispute relating to any non-contractual obligations) (a “**Dispute**”) arising from or in connection with the Securities).

(c) Subparagraph (b) is for the benefit of the Holders only. As a result, nothing prevents any Holder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions.

(d) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

16. METHOD OF PAYMENT

For purposes of any payment on a Security, the Clearing Agents may not be United States persons, as defined for United States Federal income tax purposes, and their respective specified offices may not be located in the United States or any of its possessions. No payment on a Security shall be made by transfer to an account in the United States (including its possessions) or by cheque mailed to an address in the United States (including its possessions).

17. COMMISSIONS, FEES AND REBATES

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

- (a) The Issuer may pay to a distributor, sales agent or other intermediary fees or commissions. Such fees or commissions are generally required to be disclosed by distributors, sales agents or intermediaries which, in each case, are EEA investment firms or credit institutions to their clients. Each potential investor in the Securities should satisfy itself as to the amount of any fees or commissions received by intermediaries;
- (b) The Issuer may receive or pay management or other fees from or to third parties. Where such fees are payable, further details of them will be set out in the relevant Final Terms; and
- (c) The Issuer may make payments to or receive the benefit of generic commission, discount and rebate arrangements from Hedge Providers and other transaction counterparties. Such arrangements will be as agreed between the Issuer and the third parties.

The Issuer reserves the right to retain any amounts received without any obligation to pass the benefit of the rebates to investors in the Securities.

18. EVENTS OF DEFAULT

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) default is made for more than 30 days in the payment of interest or principal in respect of the Securities; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Securities and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (c) an order is made or an effective resolution is passed for the winding up of the Issuer (excluding a solvent winding up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation in connection with which The Royal Bank of Scotland Group plc or any of its subsidiaries assumes the obligations of the Issuer as principal debtor in respect of the Securities),

then any Holder may, by written notice to the Issuer at the specified office of the Principal Agent, effective upon the date of receipt thereof by the Principal Agent, declare the Security held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as defined below), together with

accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

“Early Redemption Amount” means an amount calculated by the Calculation Agent as the fair market value of the Security immediately prior to such Event of Default. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons having regard to prevailing market rates, credit spreads and market liquidity, howsoever expressed, on a relevant Interest Payment Date (if applicable), any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent.

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

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

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

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

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

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

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

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

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

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

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

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

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

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call

Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent deems relevant;

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

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

“Relevant Currency Exchange Rate” means, each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined

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

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

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

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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 Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be

deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines to be relevant; and

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in

accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.

- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;

- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall

be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (a) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (b) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (c) Disappearance of Price. The failure of trading of the Commodity to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (d) Material Change in Formula. The occurrence, since the Issue 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 Commodity; or
- (e) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Commodity; or
- (f) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (g) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity on the Valuation Date, the Issuer Call 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; or

- (h) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or
- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or
- (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 Securities.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY OPEN END QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Cash Amount**” means an amount calculated by the Calculation Agent on a daily basis in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. The Cash Amount on the Launch Date is zero. The Cash Amount can be negative;

“**Certificate Fee**” means an amount as determined by the Calculation Agent that will be calculated on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Certificate Value**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Certificate Value shall not be less than zero. The Certificate Value shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

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

“Day Count Fraction” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange

Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

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

“Exchange Rate” means a fixed rate of exchange of 1 unit of the Underlying Currency equals 1 unit of the Settlement Currency;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means the Reference Price on the Valuation Date or the Issuer Call Date, as the case may be;

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

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

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

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first

succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent deems relevant;

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

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

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

“Quanto Maintenance Fee” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Maintenance Fee will be calculated on a daily basis from the Launch Date by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. If the Issuer realises a profit when arranging the Exchange Rate, the Quanto Maintenance Fee could be negative;

“Quanto Maintenance Fee Level” means, with respect to the Launch Date, the Initial Quanto Maintenance Fee Level and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions, the correlation between the Commodity and the prevailing rate of exchange between the Underlying Currency and Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the costs associated with arranging the quanto feature in respect of the Securities. The Quanto Maintenance Fee Level can be negative;

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Rate**” means the prevailing rate for the Settlement Currency with a designated maturity of either 1 month or overnight as determined by the Calculation Agent in its sole discretion for each Day Count Fraction;

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

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

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

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

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

“**Securities**” means each Series of the commodity open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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 Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities

(the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) **Exercise.** The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) **Issuer Call.** The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and

to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value.

- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value or Cash Amount.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Certificate Value (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and

which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and

(vi) authorise the production of such Notice in any applicable administrative or legal proceedings.

- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Certificate Value (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where or any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (a) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (b) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (c) Disappearance of Price. The failure of trading of the Commodity to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (d) Material Change in Formula. The occurrence, since the Issue 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 Commodity; or
- (e) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Commodity; or
- (f) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (g) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity on the Valuation Date, the Issuer Call 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; or
- (h) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or
- (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 Securities.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS OPEN END
CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

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

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

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

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

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

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

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

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

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call

Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent deems relevant;

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“Reference Asset” means the Reference Asset as of the Issue Date specified as such in the definition of the relevant Series in the applicable Final Terms and thereafter the Issuer shall, during Trading Hours on the Rollover Date, effect substitution of the next serially contract month or to the most liquid contract month (the **“Substitute Asset”**) selected by the Issuer. Each Substitute Asset shall for all purposes be the Reference Asset;

“Reference Asset Price” means the current price of the Reference Asset. 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 Relevant Screen Page referred to in the definition of the relevant Series in the applicable Final Terms and, if no such page reference exists, such other page reference as the Calculation Agent determines. In circumstances where the Calculation Agent determines that no such price can be determined and no Market Disruption Event has occurred and is continuing, the Reference Asset Price shall be an amount determined by the Calculation Agent as its good faith estimate of the price of the Reference Asset on such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant;

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

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

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

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

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

“Rollover Period” means each period from (and including) a Rollover Date to (but excluding) the next following Rollover Date;

“Rollover Ratio” means an amount determined by the Calculation Agent on a Rollover Date at the Rollover Time by reference to liquidity in the underlying market and in accordance with the formula (if any) specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“Securities” means each Series of the commodity futures and commodity forward contracts open end certificates specified in the applicable Final Terms and each such certificate a

“**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Substitute Asset Price**” means the Reference Asset Price of the reference asset future which will be the Substitute Asset at the next following Rollover Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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;

“**Transaction Charge**” means a percentage rate as determined by the Calculation Agent. The Calculation Agent may adjust the Transaction Charge on each Rollover Date, but in any event, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Transaction Charge will not exceed 0.10%. The Transaction Charge on the Launch Date is 0.05%;

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

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a

Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent determines to be relevant; and

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name

a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its

intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.

- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:

- (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

- (m) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (a) Price Source Disruption. The failure by the Exchange to announce or publish the Reference Asset Price (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (b) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (c) Disappearance of Price. The failure of trading of the Reference Asset to commence, or the permanent discontinuation of trading of the Reference Asset, on the Exchange; or
- (d) Material Change in Formula. The occurrence, since the Issue Date, of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the Reference Asset Price; or
- (e) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Reference Asset; or
- (f) 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; or
- (g) 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 Issue Date, if the direct effect of such imposition, change or removal is to

raise or lower the Reference Asset Price on the Valuation Date, the Issuer Call 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; or

- (h) 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; or
- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or
- (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 Securities.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS OPEN END
QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Cash Amount**” means an amount calculated by the Calculation Agent on a daily basis in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. The Cash Amount on the Launch Date is zero. The Cash Amount can be negative;

“**Certificate Fee**” means an amount as determined by the Calculation Agent that will be calculated on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Certificate Value**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Certificate Value shall not be less than zero.

The Certificate Value shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“Day Count Fraction” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange

Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

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

“Exchange Rate” means a fixed rate of exchange of 1 unit of the Underlying Currency equals 1 unit of the Settlement Currency;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

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

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

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

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

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

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“Quanto Maintenance Fee” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Maintenance Fee will be calculated on a daily basis from the Launch Date by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. If the Issuer realises a profit when arranging the Exchange Rate, the Quanto Maintenance Fee could be negative;

“Quanto Maintenance Fee Level” means, with respect to the Launch Date, the Initial Quanto Maintenance Fee Level and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions, the correlation between the Reference Asset and the prevailing rate of exchange between the Underlying Currency and Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the costs associated with arranging the quanto feature in respect of the Securities. The Quanto Maintenance Fee Level may include a rebate based on the Underlying Rate. The Quanto Maintenance Fee Level can be negative;

“Rate” means the prevailing rate for the Settlement Currency with a designated maturity of either 1 month or overnight as determined by the Calculation Agent in its sole discretion for each Day Count Fraction;

“Reference Asset” means the Reference Asset as of the Issue Date specified as such in the definition of the relevant Series in the applicable Final Terms and thereafter the Issuer shall, during Trading Hours on the Rollover Date, effect substitution of the next serially contract month or to the most liquid contract month (the **“Substitute Asset”**) selected by the Issuer. Each Substitute Asset shall for all purposes be the Reference Asset;

“Reference Asset Price” means the current price of the Reference Asset. 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 Relevant Screen Page referred to in the definition of the relevant Series in the applicable Final Terms and, if no such page reference exists, such other page reference as the Calculation Agent determines. In circumstances where the Calculation Agent determines that no such price can be determined and no Market Disruption Event has occurred and is continuing, the Reference Asset Price shall be an amount determined by the Calculation Agent as its good faith estimate of the price of the Reference Asset on such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant;

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

“Relevant Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from

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

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

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

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

“**Rollover Ratio**” means an amount determined by the Calculation Agent on a Rollover Date at the Rollover Time by reference to liquidity in the underlying market and in accordance with the formula (if any) specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Securities**” means each Series of the commodity futures and commodity forward contracts open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“Standard Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“Substitute Asset Price” means the Reference Asset Price of the reference asset future which will be the Substitute Asset at the next following Rollover Date;

“Trading Day” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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;

“Transaction Charge” means a percentage rate as determined by the Calculation Agent. The Calculation Agent may adjust the Transaction Charge on each Rollover Date, but in any event, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Transaction Charge will not exceed 0.10%. The Transaction Charge on the Launch Date is 0.05%;

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

“Underlying Rate” means the prevailing rate for deposits in the Underlying Currency with a designated maturity of either one month or overnight as determined by the Calculation Agent for each Day Count Fraction;

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities

(the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) **Exercise.** The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) **Issuer Call.** The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and

to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value.

- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value or Cash Amount.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Certificate Value (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and

which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and

(vi) authorise the production of such Notice in any applicable administrative or legal proceedings.

- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Certificate Value (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (a) Price Source Disruption. The failure by the Exchange to announce or publish the Reference Asset Price (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (b) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (c) Disappearance of Price. The failure of trading of the Reference Asset to commence, or the permanent discontinuation of trading of the Reference Asset, on the Exchange; or
- (d) Material Change in Formula. The occurrence, since the Issue Date, of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the Reference Asset Price; or
- (e) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Reference Asset; or
- (f) 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; or
- (g) 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 Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Reference Asset Price on the Valuation Date, the Issuer Call 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; or
- (h) 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; or

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or
- (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 Securities.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO FUND OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount calculated by the Calculation Agent on a daily basis in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate if an Exchange Rate is specified and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“**Dividend Amount**” means, in respect of each Security, an amount, as determined by the Calculation Agent, equal to the cash dividends and/or other cash distributions in respect of the Fund net of applicable withholding taxes at a rate adjusted by application of any relevant

double tax treaty without regard to any tax credits, and less any Expenses, multiplied by the Entitlement where the ex dividend date for such dividends falls on a date during the period from (and including) the Issue Date to (and including) the relevant Valuation Date or Issuer Call Date, as the case may be;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

“Exchange” means, with respect to a Fund which is an exchange traded fund, each exchange or quotation system specified as such in the definition of the relevant Series in the applicable Final Terms or any successor to that exchange or quotation system;

“Exchange Rate” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at that time;

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

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

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

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“Final Reference Price” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount equal to the NAV of the Fund as quoted by the fund manager of the Fund or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for the Valuation Date or the Issuer Call Date, as the case may be, as determined by the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of the relevant Fund or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

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

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

“Fund Administrator” means, in respect of the Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“Fund Adviser” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“Fund Documents” means, with respect to any Fund or Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Reference Asset specifying the terms and conditions relating to such Fund or Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

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

“Fund Prospectus” means the disclosure document howsoever described prepared in connection with the marketing of the Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Fund Service Provider” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“Hedging Agreement” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“Inclusion Date” means (i) in respect of the Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

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

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

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first

succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

(i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Early Termination Date shall be adjusted accordingly;

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

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

“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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“**NAV**” means net asset value;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

“**Reference Asset**” means the relevant interests in each Fund or if the Fund is an exchange traded fund the relevant interests specified as “Reference Assets” in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Reference Price**” means, in respect of any day, an amount equal to the NAV of the Fund as quoted by the fund manager for any particular day or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange, as determined by the Calculation Agent without regard to any subsequently published correction, or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of the relevant Fund or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV of the Fund or where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Related Exchange**” means, with respect to a Fund which is an exchange traded fund, an options or future exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the relevant Fund are traded;

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

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

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

“Relevant Party” means each of the Fund and the Fund Adviser;

“Replacement Fund” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(b)(ii). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

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

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

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

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

“Standard Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium,

Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Substitution Date**” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“**Trading Day**” means (i) in respect of a Fund, any day on which dealing in the Fund can take place and (ii) in respect of a Fund that is an exchange traded fund any day that is (or, but for the occurrence of a Fund 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 Currency**” means the currency specified as such in the definition of the relevant series in the applicable Final Terms; and

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms, or, if any such day is not a Trading Day, the next following Trading Day, unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

- (i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Valuation Date shall be adjusted accordingly; and

“**Valuation Time**” means at or around the time specified as such in the definition of the relevant Series in the applicable Final Terms or such other time as the Issuer or the Calculation Agent on its behalf may select and notify to Holders in accordance with General Condition.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in

accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.

- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Dividend Amount. The Holder is entitled to receive the Dividend Amount within ten Business Days following the receipt by the Issuer of the dividend and/or cash distribution to which it relates and the person entitled to receive such payment in respect of such Dividend Amount shall be the person who is shown in the records of the Clearing Agent(s) as the beneficial holder of such Security on the date of receipt by the Issuer. For the avoidance of any doubt, if the ex dividend date occurs before a Valuation Date or Issuer Call Date, as the case may be, but the date of receipt of the dividend and/or cash distribution by the Issuer is on or after such Valuation Date or Issuer Call Date, the person entitled to receive the Dividend Amount to which it relates shall be the person who is shown in the records of the Clearing Agent(s) as the beneficial holder of such Security on such Valuation Date or Issuer Call Date; *provided that* in no event shall the Issuer be obliged to take any action whatsoever in pursuit of payment of any dividend as a result of the fund manager failing to pay any such dividend when due.
- (e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount or Dividend Amount.
- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

Notice shall:

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

- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount and/or Dividend Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.

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

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (k) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (l) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any

circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

- (m) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

- (a) **Fund Events.** Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.
 - (i) **Global Events:**

- (A) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund's portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.
- (B) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.

- (C) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (D) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.
- (E) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or

organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(a)(i)(E)(c)(I) above and in the case of this clause 4(a)(i)(E)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(a)(i)(E)(a) through 4(a)(i)(E)(f) above.

- (F) The Fund or any Fund Service Provider becomes party to any litigation or dispute.

- (G) Any Merger Event occurs or is threatened.
- (H) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (I) In respect of any Reference Assets, any fraudulent or negligent entry is made on the register of such Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (J) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Reference Assets that it may hold and/or (ii) any internal exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant Affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Reference Assets held by them.
- (K) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-

funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).

- (L) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.
- (ii) NAV/Price and Reporting:
 - (A) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Reference Assets on the Exchange.
 - (B) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.
 - (C) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.
 - (D) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the

Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.

- (E) (i) In respect of any Reference Asset, the occurrence of any event affecting such Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation methodologies, the occurrence of any Fund Event or any other similar policies relating to such Reference Assets).

(iii) Reference Assets:

Any of the following events relating to the Reference Assets occurs:

- (A) a subdivision, reclassification or distribution of Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Reference Assets;
- (B) a portion of each Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of “side-pocket” which affects the Reference Assets;
- (C) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Reference Assets, capital, securities, rights or other assets or interests to existing holders of Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Reference Assets;
- (D) any suspension or limitation on the trading of the relevant currencies in which the Reference Assets are denominated or any amendment to the currency of denomination of the Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(iv) Trading and Fees:

- (A) In respect of the Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Reference Assets as of such date).
- (B) Any suspension of or limitation imposed on trading of the Fund or on trading in the Reference Assets (for any reason, including, without

limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.

(C) The frequency at which Reference Assets can be traded is amended or the timing for subscription or redemption of Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.

(D) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Reference Assets or is entitled to any other amount and:

(I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or

(II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Reference Assets or be entitled to actual payment of any such other amount.

(v) Fund Adviser and Fund Service Provider Failures:

(A) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.

(B) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Fund have been breached and not cured.

(C) Any of: (a) the resignation, termination of appointment or replacement of the Fund Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other

Fund Service Provider from its role as such occurs with respect to the Fund or (b) any change in the personnel of any Fund Service Provider occurs which the Issuer or the Calculation Agent on its behalf considers materially adversely affects the ability of such Fund Service Provider to carry out its duties with respect to the Fund.

(D) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Fund or any person on its behalf to disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Fund and of the rights attaching to the Reference Assets.

(vi) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (i) to (v) above.

(b) Consequences of a Fund Event. In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a “**Permitted Action**”):

(i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (B) determine the effective date of the relevant adjustments; or

(ii) select a Replacement Fund and a Substitution Date. Following any such selection (A) the Replacement Fund shall replace the affected Fund on the Substitution Date, (B) references herein to the name of the affected Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (C) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

- (iii) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
- (iv) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (A) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (B) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (A) or (B) of this clause 4(b)(iv) (as determined by the Issuer or the Calculation Agent on its behalf), (C) 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 notionally charged to the Securities) (any of (A), (B) or (C), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(b), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by

the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

(c) Fund Event Methodology and Determinations:

- (i) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
- (ii) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
- (iii) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination,

waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

- (d) The Issuer shall give notice in accordance with General Condition 4 of any calculation or determination made by it or the Calculation Agent pursuant to this Product Condition 4 as soon as practicable after it has been made. The Issuer shall make available for inspection by Holders copies of any such calculations and determinations.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO FUND OPEN END QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Cash Amount**” means an amount calculated by the Calculation Agent on a daily basis in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. The Cash Amount on the Launch Date is zero. The Cash Amount can be negative;

“**Certificate Fee**” means an amount as determined by the Calculation Agent that will be calculated on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Certificate Value**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Certificate Value shall not be less than zero.

The Certificate Value shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“Day Count Fraction” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange

Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

“Exchange” means, with respect to a Fund which is an exchange traded fund, each exchange or quotation system specified as such in the definition of the relevant Series in the applicable Final Terms or any successor to that exchange or quotation system;

“Exchange Rate” means the fixed rate of exchange between the Underlying Currency and the Settlement Currency, being 1 unit of the Underlying Currency for 1 unit of the Settlement Currency;

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

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

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

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“Final Reference Price” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the NAV of the Fund as quoted by the fund manager of the Fund or, where the Fund is an exchange traded Fund, the trading price of the Reference Asset on the Exchange in each case for the Valuation Date or the Issuer Call Date, as the case may be, as determined by the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of the relevant Fund or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

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

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

“Fund Administrator” means, in respect of the Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“Fund Adviser” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-

discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“**Fund Documents**” means, with respect to any Fund or Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Reference Asset specifying the terms and conditions relating to such Fund or Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

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

“**Fund Prospectus**” means the disclosure document howsoever described prepared in connection with the marketing of the Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“**Fund Service Provider**” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Hedging Agreement**” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“**Inclusion Date**” means (i) in respect of the Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

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

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

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

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

(i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Early Termination Date shall be adjusted accordingly;

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

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

“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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“NAV” means net asset value;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

“**Quanto Maintenance Fee**” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Maintenance Fee will be calculated by the Calculation Agent on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. If the Issuer realises a profit when arranging the Exchange Rate the Quanto Maintenance Fee could be negative;

“**Quanto Maintenance Fee Level**” means with respect to the Launch Date, the Initial Quanto Maintenance Fee Level per annum and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent per annum. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to

prevailing market conditions, the correlation between the Fund and the prevailing rate of exchange between the Underlying Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the costs associated with arranging the quanto feature in respect of the Securities. The Quanto Maintenance Fee Level can be negative;

“**Rate**” means the prevailing rate for the Settlement Currency with a designated maturity of either 1 month or overnight as determined by the Calculation Agent in its sole discretion for each Day Count Fraction;

“**Reference Asset**” means the relevant interests in each Fund or if the Fund is an exchange traded fund the relevant interests specified as “Reference Assets” in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Reference Price**” means, in respect of any day, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the NAV of the Fund as quoted by the fund manager for any particular day or, where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange, as determined by the Calculation Agent without regard to any subsequently published correction, or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of the relevant Fund or where the Fund is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV price of the Fund or where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Related Exchange**” means, with respect to a Fund which is an exchange traded Fund, an options or future exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the relevant Fund are traded;

“**Relevant Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an

American Depositary Receipt (“**ADR**”) or Global Depositary Receipt (“**GDR**”), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

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

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

“**Relevant Party**” means each of the Fund and the Fund Adviser;

“**Replacement Fund**” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(b)(ii). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“**Securities**” means each Series of the fund open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Substitution Date**” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“**Trading Day**” means (i) in respect of a Fund, any day on which dealing in the Fund can take place and (ii) in respect of a Fund that is an exchange traded fund any day that is (or, but for the occurrence of a Fund 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 Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms or if such day is not a Trading Day, the next following Trading Day, unless, in the determination of the Calculation Agent or the Issuer on its behalf, either:

- (i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or
- (ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Valuation Date shall be adjusted accordingly; and

“**Valuation Time**” means at or around the time specified as such in the definition of the relevant Series in the applicable Final Terms or such other time as the Issuer or the Calculation Agent on its behalf may select and notify to Holders in accordance with General Condition.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value.

- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value or Cash Amount.
- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “Notice”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Certificate Value (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
 - (h) Settlement. The Issuer shall pay or cause to be paid the Certificate Value (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
 - (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of

gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (j) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

(a) Fund Events. Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.

(i) Global Events:

(A) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund’s portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the

Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.

- (B) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.
- (C) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (D) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with

any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

- (E) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(a)(i)(E)(c)(I) above and in the case of this clause 4(a)(i)(E)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage

arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(a)(i)(E)(a) through 4(a)(i)(E)(f) above.

- (F) The Fund or any Fund Service Provider becomes party to any litigation or dispute.
- (G) Any Merger Event occurs or is threatened.
- (H) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (I) In respect of any Reference Assets, any fraudulent or negligent entry is made on the register of such Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (J) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it

necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Reference Assets that it may hold and/or (ii) any internal exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant Affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Reference Assets held by them.

- (K) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
- (L) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.

(ii) NAV/Price and Reporting:

- (A) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Reference Assets on the Exchange.
- (B) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.
- (C) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other

information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.

- (D) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.
- (E) (i) In respect of any Reference Asset, the occurrence of any event affecting such Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and

obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation methodologies, the occurrence of any Fund Event or any other similar policies relating to such Reference Assets).

(iii) Reference Assets:

Any of the following events relating to the Reference Assets occurs:

- (A) a subdivision, reclassification or distribution of Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Reference Assets;
- (B) a portion of each Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of "side-pocket" which affects the Reference Assets;
- (C) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Reference Assets, capital, securities, rights or other assets or interests to existing holders of Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Reference Assets;
- (D) any suspension or limitation on the trading of the relevant currencies in which the Reference Assets are denominated or any amendment to the currency of denomination of the Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(iv) Trading and Fees:

- (A) In respect of the Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been

applicable to any Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Reference Assets as of such date).

- (B) Any suspension of or limitation imposed on trading of the Fund or on trading in the Reference Assets (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.
- (C) The frequency at which Reference Assets can be traded is amended or the timing for subscription or redemption of Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.
- (D) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Reference Assets or is entitled to any other amount and:
 - (I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or
 - (II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Reference Assets or be entitled to actual payment of any such other amount.

(v) Fund Adviser and Fund Service Provider Failures:

- (A) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.

- (B) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Fund have been breached and not cured.
 - (C) Any of: (a) the resignation, termination of appointment or replacement of the Fund Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other Fund Service Provider from its role as such occurs with respect to the Fund or (b) any change in the personnel of any Fund Service Provider occurs which the Issuer or the Calculation Agent on its behalf considers materially adversely affects the ability of such Fund Service Provider to carry out its duties with respect to the Fund.
 - (D) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Fund or any person on its behalf to disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Fund and of the rights attaching to the Reference Assets.
- (vi) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (i) to (v) above.
- (b) Consequences of a Fund Event. In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a **“Permitted Action”**):
- (i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (B) determine the effective date of the relevant adjustments; or
 - (ii) select a Replacement Fund and a Substitution Date. Following any such selection (A) the Replacement Fund shall replace the affected Fund on the

Substitution Date, (B) references herein to the name of the affected Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (C) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

- (iii) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
- (iv) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (A) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (B) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (A) or (B) of this clause 4(b)(iv) (as determined by the Issuer or the Calculation Agent on its behalf), (C) 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 notionally charged to the Securities) (any of (A), (B) or (C), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable,

calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(b), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

(c) Fund Event Methodology and Determinations:

- (i) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
- (ii) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
- (iii) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event

and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

- (d) The Issuer shall give notice in accordance with General Condition 4 of any calculation or determination made by it or the Calculation Agent pursuant to this Product Condition 4 as soon as practicable after it has been made. The Issuer shall make available for inspection by Holders copies of any such calculations and determinations.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO INDEX OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“**Early Termination Amount**” means, (if any) and unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Cash Amount;

“**Early Termination Date**” means unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the day on which the Early Termination Event occurs or, if any such day is not a Trading Day, the next following Trading Day unless, in the

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

“Early Termination Event” means the event or events (if any) specified as such in the definition of the relevant Series in the applicable Final Terms, as determined by or on behalf of the Calculation Agent;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental

Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

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

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Exchange Rate**” means the Exchange Rate on the Issuer Call Date, the Early Termination Date (if applicable) or the Exercise Date;

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including

the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“**Index Fee**” means the fee (if any) specified as such in the definition of the relevant Series in the applicable Final Terms, which fee will accrue on a daily basis and be calculated by the Calculation Agent on each Trading Day in accordance with the formula (if any) specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Index Sponsor**” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Initial Exchange Rate**” means the Exchange Rate at the Valuation Time on the Pricing Date;

“**Initial Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Underlying Currency) equal to the level of the Index at the Valuation Time on the Pricing Date;

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

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

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption

Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

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

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

“Maintenance Fee” means any fees or costs which would be incurred by a person entering into hedging arrangements, whether at the inception of the hedge and/or liquidation of corresponding hedge, or on simultaneous liquidation and re-establishment of a hedge, as determined by the Calculation Agent at the Valuation Time on the Valuation Date, Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, but subject to the Maximum Maintenance Fee;

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

“Maximum Maintenance Fee” means the fee specified as such in the definition of the relevant Series in the applicable Final Terms. The Calculation Agent may, on a daily basis, reset the Maximum Maintenance Fee in its sole discretion having regard to prevailing market conditions and such other factors as the Calculation Agent deems relevant in determining the costs associated with hedging its obligations in respect of the Securities;

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

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

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

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

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

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

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

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

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

“Standard Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, any day on which the Index Sponsor should calculate and publish the closing level of the Index according to its rules;

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

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form will be issued in bearer form and, the Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed

accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Provided no Early Termination Event has occurred and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Early Termination Event: Upon the occurrence of an Early Termination Event, the Securities will terminate automatically and the Issuer will give notice to the Holders in accordance with General Condition 4. An Early Termination Event will override an Issuer Call and/or due Exercise if the Early Termination Event occurs prior to an Issuer Call Date or Valuation Date as the case may be.
- (d) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call or the occurrence of an Early Termination Event (if applicable), and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount or the Early Termination Amount as the case may be.
- (e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount or Early Termination Amount.

- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount or the Early Termination Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not

formed principally for the purpose of facilitating investment by U.S. persons; or

- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (h) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (i) Settlement. The Issuer shall pay or cause to be paid the Cash Amount or the Early Termination Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (j) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (k) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn

after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.

- (l) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (m) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

“**Market Disruption Event**” means 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 (by

reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):

- (i) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or
- (ii) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1), (2), (3) or (4) below.
 - (1) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
 - (2) If (A) on or prior to the Valuation Date, the Early Termination Date (if applicable) or the Issuer Call Date as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies

the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date, the Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or publish the Index; then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level(s) for the Index on the Valuation Date, Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or shall terminate the Securities by giving notice in accordance with General Condition 4.

- (3) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account: (A) a distribution or dividend to existing holders of the Shares of (i) Shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash

dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date, Early Termination Date (if applicable) or the Issuer Call Date; (G) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (H) any other similar event having dilutive or concentrative effect on the theoretical value of the Shares.

- (4) The Issuer reserves the right to issue further certificates, make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such further issue, adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

The Final Terms applicable to any Series of Securities may specify amendments to these Product Conditions in so far as they apply to that Series. Notwithstanding the foregoing,

consideration will be given as to whether such amendments constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus (as defined in the Final Terms) under Article 16 of Directive 2003/71/EC.

CONDITIONS: PRODUCT CONDITIONS
RELATING TO INDEX OPEN END QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Cash Amount**” means an amount calculated by the Calculation Agent on a daily basis in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Certificate Fee**” means an amount as determined by the Calculation Agent that will be calculated on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Certificate Value**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Certificate Value shall not be less than zero. The Certificate Value shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearing Agent**” means each clearing agent and clearance system specified as such in the applicable Final Terms and such further or alternative clearing agent(s) or clearance system(s)

as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

“**Day Count Fraction**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

“**Early Termination Amount**” means, (if any) and unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Certificate Value;

“**Early Termination Date**” means unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the day on which the Early Termination Event occurs or, if any such day is not a Trading Day, the next following Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on such day, in which case the applicable Early Termination Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been an Early Termination Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Early Termination Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant;

“**Early Termination Event**” means the event or events (if any) specified as such in the definition of the relevant Series in the applicable Final Terms, as determined by or on behalf of the Calculation Agent;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not

limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or

- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

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

“**Exchange Rate**” means the fixed rate of exchange between the Underlying Currency and the Settlement Currency, being 1 unit of the Underlying Currency for 1 unit of the Settlement Currency;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the level of the Index at the Valuation Time on the Valuation Date, the Early Termination Date (if any) or the Issuer Call Date, as the case may be, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the

level of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines relevant;

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“**Index Fee**” means the fee (if any) specified as such in the definition of the relevant Series in the applicable Final Terms, which fee will accrue on a daily basis and be calculated by the Calculation Agent on each Trading Day in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Index Sponsor**” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

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

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

“**Initial Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the level of the Index at the Valuation Time on the Issue Date;

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

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

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

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

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

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

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

“Maintenance Fee” means any fees or costs which would be incurred by a person entering into hedging arrangements, whether at the inception of the hedge and/or liquidation of corresponding hedge, or on simultaneous liquidation and re-establishment of a hedge, as determined by the Calculation Agent at the Valuation Time on the Valuation Date, Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, but subject to the Maximum Maintenance Fee;

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

“Maximum Maintenance Fee” means the fee specified as such in the definition of the relevant Series in the applicable Final Terms. The Calculation Agent may, on a daily basis, reset the Maximum Maintenance Fee in its sole discretion having regard to prevailing market conditions and such other factors as the Calculation Agent deems relevant in determining the costs associated with hedging its obligations in respect of the Securities;

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“Quanto Fee” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Fee will accrue and be calculated by the Calculation Agent on a daily basis from the Issue Date on each Trading Day in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“Quanto Fee Day Count Fraction” means the number of calendar days between (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

“Quanto Fee Level” means the Initial Quanto Fee Level and thereafter such other level as may be determined by the Calculation Agent. The Calculation Agent may, on a daily basis, reset the Quanto Fee Level in its sole discretion having regard to prevailing market conditions and such other factors as the Calculation Agent deems relevant in determining the costs associated with hedging its obligations in respect of the Securities;

“Quanto Maintenance Fee” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Maintenance Fee will be calculated by the Calculation Agent on a daily basis from the Launch Date on each Trading Day in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. If the Issuer realises a profit when arranging the Exchange Rate the Quanto Maintenance Fee could be negative;

“Quanto Maintenance Fee Level” means with respect to the Launch Date, the Initial Quanto Maintenance Fee Level per annum and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent per annum. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions, the correlation between the Index and the prevailing rate of exchange between the Underlying Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the costs associated with arranging the quanto feature in respect of the Securities. The Quanto Maintenance Fee Level can be negative;

“**Rate**” means the prevailing rate for the Settlement Currency with a designated maturity of either 1 month or overnight as determined by the Calculation Agent in its sole discretion for each Day Count Fraction;

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

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

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

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

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

“**Securities**” means each Series of the index open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term

“**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, any day on which the Index Sponsor should calculate and publish the closing level of the Index according to its rules;

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

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”) (if applicable). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Provided no Early Termination Event has occurred and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Early Termination Event: Upon the occurrence of an Early Termination Event, the Securities will terminate automatically and the Issuer will give notice to the Holders in accordance with General Condition 4. An Early Termination Event will override

an Issuer Call and/or due Exercise if the Early Termination Event occurs prior to an Issuer Call Date or Valuation Date as the case may be.

- (d) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call or the occurrence of an Early Termination Event (if applicable), and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value if Certificate Value is specified as being applicable in the definition of the relevant Series in the applicable Final Terms and otherwise the Cash Amount or the Early Termination Amount, as the case may be.
- (e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value if Certificate Value is specified as being applicable in the definition of the relevant Series in the applicable Final Terms and otherwise the Cash Amount or the Early Termination Amount, as the case may be.
- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Certificate Value, the Early Termination Amount or the Cash Amount (if any) for such Securities;

- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (h) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (i) Settlement. Provided no Early Termination Event has occurred, the Issuer shall pay or cause to be paid the Certificate Value (if any) if Certificate Value is specified as being applicable in the definition of the relevant Series in the applicable Final Terms and otherwise the Cash Amount for each Security with respect to which a Notice has

been delivered to the account specified in the relevant Notice for value on the Settlement Date.

- (j) **Determinations.** Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (k) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (l) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (m) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an

Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

- (n) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

“**Market Disruption Event**” means 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 (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):

- (i) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or

- (ii) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1), (2), (3) or (4) below.
 - (1) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
 - (2) If (A) on or prior to the Valuation Date, the Early Termination Date (if applicable) or the Issuer Call Date as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date, the Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or publish the Index then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level(s) for the Index on the Valuation Date, the Early Termination Date (if applicable) or the Issuer Call Date, as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change

or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.

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

- (4) The Issuer reserves the right to issue further certificates, make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO TOTAL RETURN MONEY MARKET INDEX OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if an Exchange Rate is applicable, and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event

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

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or

- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which could be zero and which shall be deemed to be a monetary value in the Underlying Currency) determined by the Calculation Agent to be equal to the level of the Index at the Valuation Time on the Valuation Date (in the case of an Exercise) or the Issuer Call Date (in the case of an Issuer Call), as adjusted by the Calculation Agent taking into consideration factors such as volume size and liquidity, and without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Index on such date having regard to the then prevailing market conditions, the last reported Exchange Rate and such other factors as the Calculation Agent determines relevant;

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

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“Index Sponsor” means the a corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index at a specified time as determined by the Index Sponsor and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“Initial Reference Price” means the level as specified as such in the definition of the relevant Series in the applicable Final Terms;

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

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

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

“Issuer Call Date” means the relevant first Trading Day of each month specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported Exchange Rate and such other factors as the Calculation Agent deems relevant;

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

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

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

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

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

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

“**Securities**” means each Series of the total return money market index open end certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

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

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

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited

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

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which

is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) **Exercise.** The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) **Issuer Call.** The Issuer may terminate the Securities, in whole but not in part on any Issuer Call Date, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the

Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or

- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.

- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where t any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

- (A) **Market Disruption.** The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:
 - (a) **Price Source Disruption.** It becomes impossible to obtain the Exchange Rate in the inter-bank market; or
 - (b) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event

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

- (c) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Settlement Currency or (B) generally makes it impossible to deliver the Settlement Currency from accounts in the country of the principal financial centre of the Settlement Currency to accounts outside such jurisdiction or the Settlement Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (d) Nationalisation. There is any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates), of all or substantially all of its assets in the country of the principal financial centre of the Settlement Currency; or
- (e) Illiquidity. There is any impossibility in obtaining a firm quote for the Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (f) 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 Securities.

For this purpose a “**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial

markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Exchange Rate.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO BASKET OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Basket Constituent**” means each of the Basket Constituents specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Basket Constituents**” shall be construed accordingly;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places, 0.005 being rounded downwards;

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

“Constituent Closing Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of each Basket Constituent, the price specified as such in the definition of the relevant Series in the applicable Final Terms as quoted at the close of trading on the Exchange as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price specified as such in the definition of the relevant Series in the applicable Final Terms of such Basket Constituent having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituent and such other markets factors as the Calculation Agent determines relevant, converted into the Settlement Currency using the Exchange Rate, if applicable;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

“**Exchange**” means the exchange specified as such in the definition of the relevant Series in the applicable Final Terms or any successor to such Exchange;

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer or other taxes or duties and/or any bid/offer spread incurred upon liquidation of the hedge arising in connection with (a) the exercise of such Security and/or (b) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on the Valuation Date or the Issuer Call Date, as the case may be, and (b) the Number of Units for such Basket Constituent;

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Initial Price**” means in respect of each Basket Constituent, the Constituent Closing Price on Issue Date - 1;

“**Initial Reference Price**” means the price specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Issue Date - 1**” means the Trading Day immediately preceding the Issue Date unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issue Date - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation

Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Issue Date - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issue Date - 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Constituent Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents and such other factors as the Calculation Agent deems relevant;

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

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

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

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

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

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

“Number of Units” means in relation to each Basket Constituent:

(A) on the Issue Date:

(Initial Reference Price x Weight) / Initial Price; and

(B) on each Re-weighting Day:

(Re-weighting Reference Price x Weight of such Basket Constituent) / Constituent Closing Price of such Basket Constituent on such Re-weighting Day - 1;

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

“Reference Price” means on any day, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price and (b) the Number of Units for such Basket Constituent;

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

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

“Relevant Currency Exchange Rate” means each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement

Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

“**Re-weighting Reference Price**” means an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on Re-weighting Day – 1 and (b) the Number of Units for such Basket Constituent on the relevant Re-weighting Day - 1;

“**Re-weighting Day**” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Re-weighting Day - 1**” means the Trading Day immediately preceding the relevant Re-weighting Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Re-weighting Day - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Day - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Day – 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Constituent Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents and such other factors as the Calculation Agent deems relevant;

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

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy,

Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means, with respect to the Basket, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on all the Exchanges and any Related Exchanges other than a day on which trading on the Exchange or any Related Exchanges is scheduled to close prior to its regular weekday closing time;

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

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

“**Weight**” means for each Basket Constituent, and subject to adjustment in accordance with Product Condition 4, the percentage specified as such in the definition of Basket for the relevant Series in the applicable Final Terms.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through

whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Basket Constituents.

- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the

Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or

- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.

- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount paid in connection with the Securities will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

- (a) **Market Disruption.**

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

“Market Disruption Event” means:

- (i) 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 in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise): (A) the Basket Constituents on the Exchange or any other exchange on which the Basket Constituents are traded; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Basket Constituent on any Related Exchange if, in the determination of the Calculation Agent, such suspension or limitation is material; or

- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

(b) Adjustments to the Basket

If a De-Listing occurs with respect to a Basket Constituent or a Basket Constituent is for any reason cancelled, the Calculation Agent may determine in its sole discretion to either (A) replace the de-listed or cancelled Basket Constituent by a successor basket constituent which has in the determination of the Calculation Agent the same or a substantially similar structure and a substantially similar economic impact and is linked to the same commodity as such Basket Constituent or (B) remove the de-listed or cancelled Basket Constituent and allocate the Reference Price of such Basket Constituent as of the effective date of the de-listing or cancellation pro rata to the remaining Basket Constituents.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made pursuant to the foregoing paragraph.

“**De-listing**” means a Basket Constituent for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which the Basket Constituent is listed (and such cessation or suspension is continuing and such Basket Constituent is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO ASSET OPEN END QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or

- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or

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

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

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

“**Exchange Rate**” means the fixed rate of exchange between the Underlying Currency and the Settlement Currency, being 1 unit of the Underlying Currency for 1 unit of the Settlement Currency;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

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

“Initial Quanto Maintenance Fee Level” means the rate specified as such in the definition of the relevant Series in the applicable Final Terms;

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

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

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption

Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent deems relevant;

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“Quanto Maintenance Fee” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Certificates. The Quanto Maintenance Fee will accrue on a daily basis from the Launch Date and be calculated by the Calculation Agent on each day in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms. If the Issuer realises a profit when arranging the Exchange Rate, the Quanto Maintenance Fee could be negative;

“Quanto Maintenance Fee Day Count Fraction” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

“Quanto Maintenance Fee Level” means, with respect to the Launch Date, the Initial Quanto Maintenance Fee Level and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions, the correlation between the Underlying Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems

relevant in determining the costs associated with hedging its obligations in respect of the Securities. The Quanto Maintenance Fee Level can be negative;

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

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Reference Asset is traded;

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

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

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

“**Securities**” means each Series of the asset open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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 Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Valuation Time**” means the close of trading on the relevant Exchange or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities are issued in bearer form are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing

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

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which

is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or

- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.

- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

“**Market Disruption Event**” means:

- (i) 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): (A) the Reference Asset on the Exchange or any other exchange on which the Reference Asset is traded; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Reference Asset on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or

- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

- (b) Potential Adjustment Events. Following a declaration by the Issuer of the Reference Asset of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Reference Asset and, if so, will:
 - (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
 - (ii) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Reference Assets traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“Potential Adjustment Event” means any event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Assets.

- (c) If a De-Listing occurs with respect to the Reference Asset or it is for any reason cancelled, the Calculation Agent may determine in its sole discretion to either (A) replace the de-listed or cancelled Reference Asset by a successor reference asset

which has in the determination of the Calculation Agent the same or substantially similar structure and a substantially similar economic impact, and is linked to the same asset as such Reference Asset or (B) make any other adjustment as it sees fit.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made pursuant to the foregoing paragraph.

“**De-listing**” means the Reference Asset for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which the Reference Asset is listed (and such cessation or suspension is continuing and such Reference Asset is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO FUND BASKET OPEN END QUANTO CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Basket Constituent**” means each of the Basket Constituents specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Basket Constituents**” shall be construed accordingly;

“**Basket Constituent Administrator**” means, in respect of the Basket Constituent, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Basket Constituent according to the Basket Constituent Documents;

“**Basket Constituent Adviser**” means, in respect of any Basket Constituent, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Basket Constituent;

“Basket Constituent Documents” means, with respect to any Basket Constituent or Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Basket Constituent or Reference Asset specifying the terms and conditions relating to such Basket Constituent or Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

“Basket Constituent Prospectus” means the disclosure document howsoever described prepared in connection with the marketing of the Basket Constituent and, in relation to any Replacement Basket Constituent, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Basket Constituent and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Basket Constituent Service Provider” means, in respect of any Basket Constituent, any person who is appointed to provide services, directly or indirectly, for that Basket Constituent, whether or not specified in the Basket Constituent Documents or the Basket Constituent Prospectus, including but not limited to any Basket Constituent Adviser, Basket Constituent Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

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

“Basket Level” means an amount determined by the Calculation Agent in accordance with the formula specified in the definition of Basket Level for the relevant Series in the applicable Final Terms;

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

“Cash Amount” means unless “Cash Amount is specified as “Not Applicable” in the definition of the relevant Series in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the formula specified in the definition of Cash Amount for the relevant Series in the applicable Final Terms, less Expenses. The Cash Amount payable to a Holder shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“Certificate Fee” means an amount as determined by the Calculation Agent that will be calculated on a daily basis from the Launch Date in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms;

“Certificate Value” means unless “Certificate Value” is specified as “Not Applicable” in the definition of the relevant Series in applicable Final Terms, an amount determined by the Calculation Agent in accordance with the formula specified in the definition of Certificate Value for the relevant Series in the applicable Final Terms, less Expenses provided that the Certificate Value shall not be less than zero. The Certificate Value shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“Composition Charges” means all customary and usual execution fees, commissions, clearing and custody charges, contract transaction costs, or other fees or expenses and any associated documentary or other taxes that the Calculation Agent determines would have applied if there had been a sale, realisation, close-out or purchase, acquisition or entry into of a Basket Constituent;

“Day Count Fraction” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared

moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or

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

“**Entitlement**” means, unless “Entitlement” is specified as “Not Applicable” in the definition of the relevant Series in applicable Final Terms, the entitlement specified as such in the definition of the relevant Series in the applicable Final Terms, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means, with respect to a Basket Constituent which is an exchange traded fund, each exchange or quotation system specified as such in the definition of the relevant Series in the applicable Final Terms or any successor to that exchange or quotation system;

“**Exchange Rate**” means the fixed rate of exchange between the Underlying Currency and the Settlement Currency, being 1 unit of the Underlying Currency for 1 unit of the Settlement Currency;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, unless “Final Reference Price” is specified as “Not Applicable” in the definition of the relevant Series in applicable Final Terms and unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the NAV of the Basket Constituent as quoted by the fund manager of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for the Valuation Date or the Issuer Call Date, as the case may be, as determined by the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation

Agent as its estimate of the NAV of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV or price of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Hedging Agreement**” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Basket Constituent, the Basket Constituent Adviser, any other Basket Constituent Service Provider or the directors of the Basket Constituent;

“**Inclusion Date**” means (i) in respect of the Basket Constituent, the Issue Date and (ii) in respect of any Replacement Basket Constituent, means the Substitution Date of that Basket Constituent;

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

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

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

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

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

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

“Issuer Call Date” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf, either

(i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Certificate Value having regard to the then prevailing market conditions, the last reported NAV of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Issuer Call Date shall be adjusted accordingly;

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

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

“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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“**NAV**” means net asset value;

“**Notional Transaction Price**” means the Price at which the relevant Basket Constituent would notionally have been acquired or disposed of (as appropriate) at the relevant time as such Basket Constituent is notionally included in or removed from the Basket, taking into account any applicable Composition Charges. Where a Basket Constituent is to be notionally removed from the Basket, its Notional Transaction Price shall be on the basis of its disposal and where an asset is notionally to be included, its Notional Transaction Price shall be on the basis of its acquisition. The Notional Transaction Price may be determined as the weighted average acquisition or disposal price over a period of several Trading Days if the Calculation Agent deems this to be appropriate;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Performance**” means the performance of each Basket Constituent calculated by the Calculation Agent in accordance with the following formula:

$$\text{Reference Price on a Re-weighting Date} / \text{Reference Price on a Re-weighting Date} - 1;$$

“**Price**” means the price as determined by the Calculation Agent from such price sources as it shall determine, including without limitation the trading price at which a Basket Constituent is or would be traded;

“**Quanto Maintenance Fee**” means such fee deemed relevant by the Calculation Agent in determining the costs associated with arranging the Exchange Rate in respect of the Securities. The Quanto Maintenance Fee will be calculated by the Calculation Agent on a daily basis from the Launch Date in accordance with the formula specified in the definition of Quanto Maintenance Fee for the relevant Series in the applicable Final Terms;

“Quanto Maintenance Fee Level” means, unless otherwise provided in the definition of the relevant Series in the applicable Final Terms, with respect to the Launch Date, the Initial Quanto Maintenance Fee Level per annum and thereafter the relevant Quanto Maintenance Fee Level as determined by the Calculation Agent per annum. The Calculation Agent may, on a daily basis, reset the Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions, the correlation between the Basket Constituent and the prevailing rate of exchange between the Underlying Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the costs associated with arranging the quanto feature in respect of the Securities. The Quanto Maintenance Fee Level can be negative;

“Portfolio Guidelines” means the investment guidelines and restrictions specified in respect of a Basket Constituent and as set out in the relevant Basket Constituent Prospectus and/or the relevant Basket Constituent Documents;

“Rate” means, unless “Rate” is specified as “Not Applicable” in the definition of the relevant Series in applicable Final Terms and unless otherwise provided in the definition of the relevant Series in the applicable Final Terms, the prevailing rate for the Settlement Currency with a designated maturity of either 1 month or overnight as determined by the Calculation Agent in its sole discretion for each Day Count Fraction;

“Reference Asset” means the relevant interests in each Basket Constituent or if the Basket Constituent is an exchange traded fund the relevant interests specified as “Reference Assets” in the definition of Basket in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“Reference Price” means, in respect of any day, an amount (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) equal to the NAV of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the trading price of the Reference Asset on the Exchange as quoted by the fund manager for any particular day, as determined by the Calculation Agent without regard to any subsequently published correction, or (if, in the determination of the Calculation Agent, no such price or NAV can be determined and no Emerging Market Disruption Event or Fund Event has occurred and is continuing) an amount determined by the Calculation Agent as its estimate of the NAV of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the trading price of the Reference Asset on the Exchange in each case for such date having regard to the then prevailing market conditions, the last reported NAV or price of the Basket Constituent or, where the Basket Constituent is an exchange traded fund, the last

reported trading price of the Reference Asset on the Exchange and such other factors as the Calculation Agent determines relevant;

“Related Exchange” means, with respect to a Basket Constituent which is an exchange traded fund, an options or future exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the relevant Basket Constituent are traded;

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

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

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

“Relevant Party” means each of the Basket Constituent and the Basket Constituent Adviser;

“Replacement Basket Constituent” means, in relation to a Basket Constituent, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Basket Constituent in accordance with clause 4(b)(ii). Such Replacement Basket Constituent will have a similar risk profile as the Basket Constituent replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“Re-weighting Dates” means the date specified as such in the definition of the relevant Series in the applicable Final Terms and **“Re-weighting Date”** shall be construed accordingly;

“Re-weighting Date - 1” means the Trading Day immediately preceding the relevant Re-weighting Date unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day with respect to any Basket Constituent, in which case the Re-

weighting Date - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Date - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Date - 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituent and such other factors as the Calculation Agent deems relevant;

“**Re-weighting Table**” means the table specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Securities**” means each Series of the fund basket open end quanto certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Substitution Date**” means, in relation to a Basket Constituent, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Basket Constituent by a Replacement Basket Constituent.

“**Trading Day**” means (i) in respect of a Basket Constituent, any day on which dealing in the Basket Constituent can take place and (ii) in respect of a Basket Constituent that is an exchange traded fund any day that is (or, but for the occurrence of a Fund 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 Currency**” means the currency specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms, or if any such day is not a Trading Day, the next following Trading Day, unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

(i) An Emerging Market Disruption Event has occurred on any such day, in which case the applicable Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Emerging Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is an Emerging Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Emerging Market Disruption Event) would have been the Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Emerging Market Disruption Event); and (ii) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported NAV of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange, and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(b) shall apply and the Valuation Date shall be adjusted accordingly;

and

“**Weight**” means subject to adjustment in accordance with Product Condition 4, the percentage weight of the Basket Value allocated to each Basket Constituent which on the Basket Launch Date shall be the Initial Weight and thereafter the Basket shall be re-weighted on each Re-weighting Date in accordance with the Re-weighting Table based on the Performance of each Basket Constituent.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the

Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following

Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value or Cash Amount.
- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Certificate Value (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;

- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Certificate Value (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

taken by it in connection with such determination or the notification of such determination to a Holder.

- (j) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

- (a) **Fund Events.** Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any

adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Reference Assets or the NAV of the Basket Constituent or on the rights of any investor therein with respect to the Reference Assets or the Basket Constituent or otherwise has materially adversely affected its Hedge Position.

(i) Global Events:

- (A) Any of: (a) the investment strategy and/or the investment objective of the Basket Constituent has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Basket Constituent's portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Basket Constituent as of that date or (c) the operation or organisation of the Basket Constituent or the Basket Constituent Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Basket Constituent or the Reference Assets and/or any other units in the capital of the Basket Constituent and/or any Basket Constituent Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Basket Constituent Documents, the Basket Constituent Prospectus or the Portfolio Guidelines.

- (B) (a) the Basket Constituent is not being managed in accordance with the Basket Constituent Documents and/or the Basket Constituent Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Basket Constituent or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Basket Constituent was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Basket Constituent and/or any Basket Constituent Service Provider to meet or maintain any obligation or undertaking under the Basket Constituent Documents.
- (C) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Basket Constituent or any Basket Constituent Service Provider or the directors of the Basket Constituent under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Basket Constituent or any Basket Constituent Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (D) The activities of the Basket Constituent or any Basket Constituent Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, 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 Basket Constituent or any Basket Constituent Service Provider and/or any of their respective directors,

officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

- (E) Written notification is given by the Basket Constituent or any Basket Constituent Service Provider (or any person acting on behalf thereof) to holders of Reference Assets or to the Basket Constituent Administrator of a proposed cessation of operation of the Basket Constituent or the Basket Constituent or any Basket Constituent Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(a)(i)(E)(c)(I) above and in the case of this clause 4(a)(i)(E)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Basket Constituent or any Basket Constituent Service Provider over any of its assets is enforced or becomes capable of being

enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Basket Constituent becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Basket Constituent or the relevant Basket Constituent Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(a)(i)(E)(a) through 4(a)(i)(E)(f) above.

- (F) The Basket Constituent or any Basket Constituent Service Provider becomes party to any litigation or dispute.
- (G) Any Merger Event occurs or is threatened.
- (H) The Basket Constituent or any Basket Constituent Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Basket Constituent and/or the quality of such services.
- (I) In respect of any Reference Assets, any fraudulent or negligent entry is made on the register of such Reference Assets maintained by or on behalf of the Basket Constituent or there is a reduction in the number of such Reference Assets held for the account of any investor in the Basket Constituent for reasons beyond the control of that investor.
- (J) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Basket Constituent or the Reference Assets or (ii) the Basket Constituent or any Basket Constituent Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any

Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Basket Constituent or the Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Reference Assets that it may hold and/or (ii) any internal exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant Affiliate or the Hedge Provider as the case may be, is permitted to have to the Basket Constituent, to redeem all or some of the Reference Assets held by them.

- (K) 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 Basket Constituent (if the Basket Constituent is part of an umbrella structure with more than one sub-fund).
- (L) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.

(ii) NAV/Price and Reporting:

- (A) There is (a) a failure to calculate and/or publish the NAV of the Basket Constituent on any day on which such calculation or publication was scheduled to be made in accordance with the Basket Constituent Documents and/or the Basket Constituent Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Basket Constituent with the frequency set out in the Basket Constituent Documents and/or the Basket Constituent Prospectus as they prevailed on the Inclusion Date or (c) where the Basket Constituent is an exchange traded fund, a failure to publish the trading price of the Reference Assets on the Exchange.
- (B) (a) Any change is made to the methodology used for calculating either the NAV of the Basket Constituent or any estimate of the NAV

of the Basket Constituent from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Basket Constituent in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.

- (C) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Basket Constituent and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Basket Constituent Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Basket Constituent that was specified to be published in accordance with the Basket Constituent Documents or the Basket Constituent Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.
- (D) The audited NAV of the Basket Constituent varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Basket Constituent, or the auditors of the Basket Constituent qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Basket Constituent, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Basket Constituent published by or on behalf of the Basket Constituent in respect of any date does not reflect the NAV of such Basket Constituent as it would have been determined by the independent auditors of that Basket Constituent using the generally accepted accounting standards adopted by the Basket Constituent.
- (E) (i) In respect of any Reference Asset, the occurrence of any event affecting such Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Basket Constituent, any Basket Constituent Service Provider or any director of the Basket

Constituent to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Basket Constituent (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Basket Constituent's compliance with any Portfolio Guidelines, asset allocation methodologies, the occurrence of any Fund Event or any other similar policies relating to such Reference Assets).

(iii) Reference Assets:

Any of the following events relating to the Reference Assets occurs:

- (A) a subdivision, reclassification or distribution of Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Reference Assets;
- (B) a portion of each Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Basket Constituent, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Basket Constituent, or the Basket Constituent creates any other form of "side-pocket" which affects the Reference Assets;

- (C) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Reference Assets, capital, securities, rights or other assets or interests to existing holders of Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Reference Assets;
 - (D) any suspension or limitation on the trading of the relevant currencies in which the Reference Assets are denominated or any amendment to the currency of denomination of the Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Basket Constituent; or
- (iv) Trading and Fees:
- (A) In respect of the Reference Assets, the Basket Constituent or any Basket Constituent Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Reference Assets as of such date).
 - (B) Any suspension of or limitation imposed on trading of the Basket Constituent or on trading in the Reference Assets (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Basket Constituent or the Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.
 - (C) The frequency at which Reference Assets can be traded is amended or the timing for subscription or redemption of Reference Assets is amended, in each case so that it is no longer that specified in the Basket Constituent Documents and/or Basket Constituent Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.

(D) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Reference Assets or is entitled to any other amount and:

(I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Basket Constituent Documents or the Basket Constituent Prospectus; or

(II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Reference Assets or be entitled to actual payment of any such other amount.

(v) Basket Constituent Adviser and Basket Constituent Service Provider Failures:

(A) The Basket Constituent Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Basket Constituent will not be, or is no longer able to be, met.

(B) Any representations, covenants or agreements of the Basket Constituent Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Basket Constituent have been breached and not cured.

(C) Any of: (a) the resignation, termination of appointment or replacement of the Basket Constituent Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other Basket Constituent Service Provider from its role as such occurs with respect to the Basket Constituent or (b) any change in the personnel of any Basket Constituent Service Provider occurs which the Issuer or the Calculation Agent on its behalf considers materially adversely affects the ability of such Basket Constituent Service Provider to carry out its duties with respect to the Basket Constituent.

(D) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Basket Constituent or any person on its behalf to

disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Basket Constituent and of the rights attaching to the Reference Assets.

- (vi) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (i) to (v) above.
- (b) Consequences of a Fund Event. In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a “**Permitted Action**”):
 - (i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (B) determine the effective date of the relevant adjustments; or
 - (ii) select a Replacement Basket Constituent and a Substitution Date. Following any such selection (A) the Replacement Basket Constituent shall replace the affected Basket Constituent on the Substitution Date, (B) references herein to the name of the affected Basket Constituent shall be deemed to be references to the name of the Replacement Basket Constituent with effect from the Substitution Date and (C) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or
 - (iii) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
 - (iv) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are

necessary to reflect a notional liquidation of all of the Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (A) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (B) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (A) or (B) of this clause 4(b)(iv) (as determined by the Issuer or the Calculation Agent on its behalf), (C) 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 notionally charged to the Securities) (any of (A), (B) or (C), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(b), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

(c) Fund Event Methodology and Determinations:

- (i) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Basket Constituent provided or published by or on behalf of the Basket Constituent or, where the Basket

Constituent is an exchange traded fund, the last reported trading price of the Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Basket Constituent or Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.

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

underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

- (d) The Issuer shall give notice in accordance with General Condition 4 of any calculation or determination made by it or the Calculation Agent pursuant to this Product Condition 4 as soon as practicable after it has been made. The Issuer shall make available for inspection by Holders copies of any such calculations and determinations.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO INDEX BASKET OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

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

“**Best Performing Index**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of each Re-weighting Day, the Index that performed the best compared to the other Indexes in the Basket according to the following formula:

$$\text{Index Closing Price}_t / \text{Index Closing Price}_{t-1}$$

Where:

t = Re-weighting Day - 2

t-1 = (i) the immediately preceding Re-weighting Day - 2 or (ii) in respect of the first Re-weighting Day the Index Closing Price on the last Trading Day of the second preceding calendar month, subject to adjustment by the Issuer in adverse market conditions if, in the opinion of the Issuer, circumstances so require.

For the avoidance of doubt, the Best Performing Index may be an Index subject to an adjustment in accordance with Product Condition 3(b). Where more than one Index is

described as the Best Performing Index, the Issuer shall select one such Index as the Best Performing Index in its sole and absolute discretion. Notice to the Holders shall be delivered in accordance with General Condition 4;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places, 0.005 being rounded downwards;

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

“**Day Count Fraction**” means the number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money

borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or

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

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

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

“**Exchange Rate**” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer or other taxes or duties and/or any bid/offer spread incurred upon liquidation of the hedge arising in connection with (a) the exercise of such Security and/or (b) any payment due following exercise or otherwise in respect of such Security;

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“**Index Closing Price**” means, in respect of each Index and any day, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount equal to the level of such Index at the Valuation Time on such day, as determined by or on

behalf of the Calculation Agent without regard to any subsequently published correction or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Index on such day having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines relevant, converted into the Settlement Currency using the Exchange Rate, if applicable;

“**Initial Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of each Index, the Index Closing Price on Issue Date - 1;

“**Initial Reference Price**” means the price specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Issue Date - 1**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Trading Day immediately preceding the Issue Date unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issue Date - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Issue Date - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issue Date - 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Index Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

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

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and if such day is not a Trading Day, the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market

Disruption Event has occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Index Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

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

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

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

“Notional Dividend Amount” means an amount, as determined by the Calculation Agent, equal to the sum of the cash dividends and/or other cash distributions in respect of the Shares which have an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty without regard to any tax credits, and less any Expenses;

“Notional Dividend Period” means each period from (and including) a Re-weighting Day to (but excluding) the earlier of the next following Re-weighting Day or the Issuer Call Date or Valuation Date, as the case may be;

“Number of Units” means unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in relation to each Index:

(a) on the Launch Date:

$(\text{Initial Reference Price} \times \text{Weight}) / \text{Initial Price}$; and

(b) on each Re-weighting Day:

$(\text{Re-weighting Reference Price} \times \text{Weight of such Index}) / \text{Index Closing Price of the Best Performing Index on Re-weighting Day} - 2$;

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

and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

“Reference Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, on any day, an amount equal to the sum of the product for each Index of (a) the Index Closing Price plus any Notional Dividend Amount and (b) the Number of Units for such Index;

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

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

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

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

“Re-weighting Reference Price” means an amount equal to the sum of the product for each Index of (a) the Index Closing Price on Re-weighting Day – 1 plus any Notional Dividend Amount and (b) the Number of Units for such Index on the relevant Re-weighting Day - 1;

“**Re-weighting Day**” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Re-weighting Day - 1**” means the Trading Day immediately preceding the relevant Re-weighting Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Re-weighting Day - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Day - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Day – 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Index Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

“**Re-weighting Day - 2**” means the second Trading Day immediately preceding the relevant Re-weighting Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Re-weighting Day - 2 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Day - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Day – 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Index Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

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

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

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

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

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms or if such day is not a Trading Day the next succeeding Trading Day, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Index Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Exchange and such other factors as the Calculation Agent determines to be relevant;

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

“**Weight**” means for each Index, and subject to adjustment in accordance with Product Condition 4, the percentage specified as such in the definition of Basket or as specified elsewhere in the definition of the relevant Series in the applicable Final Terms.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the

Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following

Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount or in the determination of any Notional Dividend Amount.
- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;

- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

“Market Disruption Event” means: (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange

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

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (i), (ii), (iii) or (iv) below:
- (i) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
 - (ii) If (A) on or prior to the Valuation Date or the Issuer Call Date as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for, or the method of, calculating the Index or in any other way materially modifies the Index (other than a modification

prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date or the Issuer Call Date as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor fails to calculate and/or publish the Index, then (in either case) the Calculation Agent shall determine the Reference Price using, in lieu of a published level for the Index on the Valuation Date or the Issuer Call Date as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.

- (iii) If, at any time, any of the events specified in (A) to (G) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account: (A) a distribution or dividend to existing holders of the Shares of (aa) Shares; or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four

quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date or the Issuer Call Date; (G) any other similar event having dilutive or concentrative effect on the theoretical value of the Shares.

- (iv) The Issuer reserves the right to issue further certificates, make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO SINGLE STOCK OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Cash Amount**” means an amount calculated by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate if an Exchange Rate is specified and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“**Dividend Amount**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of each Security, an amount, as determined by the Calculation Agent, equal to the cash dividends and/or other cash distributions in respect of the Shares, net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty without regard to any tax credits, and less any Expenses, multiplied by the

Entitlement where the ex dividend date for such dividends falls on a date during the period from (and including) the Issue Date to (and including) the relevant Valuation Date or Issuer Call Date, as the case may be;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or
- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

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

“Exchange Rate” means the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at that time;

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

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

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

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Fee**” means the fee (if any) specified as such in the definition of the relevant Series in the applicable Final Terms;

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate; “**Issue Date**” means the date specified as such in the applicable Final Terms;

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

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3 and, if such day is not a Trading Day, means the first

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

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

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

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

“Relevant Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not

limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an American Depositary Receipt (“**ADR**”) or Global Depositary Receipt (“**GDR**”), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

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

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

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

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

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

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

“**Share**” means the share specified as such in the definition of the relevant Series, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means the share company specified as such in the definition of the relevant Series, subject to Product Condition 4;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means any day that is (or but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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 Currency**” means the currency specified as such in the definition of the relevant series in the applicable Final Terms;

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

“**Valuation Time**” means the close of trading on the relevant Exchange in relation to the Share or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

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

2. FORM

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

other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Dividend Amount. Unless specified otherwise in the definition of the relevant Series in the applicable Final Terms means the Holder is entitled to receive the Dividend Amount within ten Business Days following the receipt by the Issuer of the dividend and/or cash distribution to which it relates and the person entitled to receive such payment in respect of such Dividend Amount shall be the person who is shown in the records of the Clearing Agent(s) as the beneficial holder of such Security on the date of receipt by the Issuer. For the avoidance of any doubt, if the ex dividend date occurs before a Valuation Date or Issuer Call Date, as the case may be, but the date of receipt of the dividend and/or cash distribution by the Issuer is on or after such Valuation Date or Issuer Call Date, the person entitled to receive the Dividend Amount to which it relates shall be the person who is shown in the records of the Clearing Agent(s) as the beneficial holder of such Security on such Valuation Date or Issuer Call Date; *provided that* in no event shall the Issuer be obliged to take any action whatsoever in pursuit of payment of any dividend as a result of the Share Company failing to pay any such dividend when due.
- (e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following

Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount or Dividend Amount.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (g) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (A) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (B) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (h) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
 - (i) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
 - (j) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of

gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (k) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (l) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (m) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) **Presentation and Surrender.** The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

“Market Disruption Event” means:

- (i) 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):
 - (A) in the Shares on the Exchange or any other exchange on which the Shares are listed; or
 - (B) in any options contracts or futures contracts or other derivatives contracts relating to the Shares on any Related Exchange if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

- (b) **Potential Adjustment Events.** Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
- (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
 - (ii) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“Potential Adjustment Event” means any of the following: (i) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (ii) a distribution or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (iii) an extraordinary dividend; (iv) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (v) a call by the Share Company in respect of relevant Shares that are not fully paid; (vi) a repurchase by the Share Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vii) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

- (ii) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (iii) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and the action proposed to be taken in relation thereto.

“**De-listing**” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

“**Merger Event**” means any (i) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (ii) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares); or (iii) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Share Company to the offeror, in each case if the Merger Date is on or before the Valuation Date or the Issuer Call Date.

“**Nationalisation**” means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company (i) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (ii) holders of the Shares of that Share Company become legally prohibited from transferring them.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO MULTI-ASSET BASKET OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**”, which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Basket Constituent**” means each Share or Commodity, as the case may be, specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Basket Constituents**” means each or all of the Shares and Commodities as the case may be;

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

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if applicable, and rounded to the nearest two decimal places, 0.005 being rounded downwards;

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

“**Commodity**” means each commodity specified as such in the definition of Basket for the relevant Series in the applicable Final Terms, subject to Product Condition 4 and “**Commodities**” shall be construed accordingly;

“**Constituent Closing Price**” means, in respect of each Basket Constituent, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be a monetary value in the Underlying Currency) equal to the price of such Basket Constituent on the Exchange at the Valuation Time on a Trading Day, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction unless, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing, an amount determined by the Calculation Agent as its good faith estimate of the price of such Basket Constituent on such date having regard to the then prevailing market conditions, the last reported trading price of such Basket Constituent on the Exchange and such other factors as the Calculation Agent determines relevant, subject to adjustment in accordance with Product Condition 4;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without

regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or

(iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or

(v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

(vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or

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

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

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

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

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

“Exchange” means, with respect to each Basket Constituent, the exchange or quotation system specified as such in the definition of the Basket for the relevant Series in the applicable Final Terms or any successor to such exchange or quotation system;

“Exchange Rate” means, in relation to each Basket Constituent and where applicable, the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“Expenses” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer or other taxes or duties and/or any bid/offer spread incurred upon liquidation of the hedge arising in connection with (a) the exercise of such Security and/or (b) any payment due following exercise or otherwise in respect of such Security;

“Final Reference Price” means, in relation to each Basket Constituent, unless specified otherwise in the definition of the relevant Series in the applicable Final Terms, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on the Valuation Date or the Issuer Call Date, as the case may be, and (b) the Number of Units for such Basket Constituent;

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

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“Initial Price” means in respect of each Basket Constituent, the Constituent Closing Price on Issue Date - 1;

“Initial Reference Price” means the price specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“Issue Date - 1” means the Trading Day immediately preceding the Issue Date unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Issue Date - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Issue Date - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Issue Date - 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Constituent Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents and such other factors as the Calculation Agent deems relevant;

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

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

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

conditions, the last reported trading price of the Basket Constituents and such other factors as the Calculation Agent deems relevant;

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

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

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

“**Number of Units**” means in relation to each Basket Constituent:

(A) on the Issue Date:

$(\text{Initial Reference Price} \times \text{Weight}) / \text{Initial Price}$; and

(B) on each Re-weighting Day:

$(\text{Re-weighting Reference Price} \times \text{Weight of such Basket Constituent}) / \text{Constituent Closing Price of such Basket Constituent on such Re-weighting Day} - 1$;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or, if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross-settlement Express Transfer (TARGET 2) System is open;

“**Reference Price**” means on any day, an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price and (b) the Number of Units for such Basket Constituent;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts relating to the Basket Constituents are traded;

“**Relevant Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Settlement Currency, the lawful currency in which the underlying of the Security or any constituent of such underlying is denominated, from time to time, or the lawful currency of the country in which the Exchange or the primary exchange on which an underlying or any constituent of such underlying, is located provided that Relevant Currency shall not include any lawful currency that is a Standard Currency. Notwithstanding the foregoing, where the underlying of a Security is a fund, including but not limited to, an exchange traded fund, a mutual fund, a unit trust or a hedge fund, or an

American Depositary Receipt (“**ADR**”) or Global Depositary Receipt (“**GDR**”), the constituents of such fund, ADR or GDR as applicable, shall not be considered for the purpose of this definition;

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

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

“**Re-weighting Reference Price**” means an amount equal to the sum of the product for each Basket Constituent of (a) the Constituent Closing Price on Re-weighting Day - 1 and (b) the Number of Units for such Basket Constituent on the relevant Re-weighting Day - 1;

“**Re-weighting Day**” means the date specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Re-weighting Day - 1**” means the Trading Day immediately preceding the relevant Re-weighting Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case the Re-weighting Day - 1 shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately succeeding the original date which (but for the Market Disruption Event) would have been the Re-weighting Day - 1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Re-weighting Day - 1 (regardless of the Market Disruption Event); and (b) the Calculation Agent shall determine the Constituent Closing Price having regard to the then prevailing market conditions, the last reported trading price of the Basket Constituents and such other factors as the Calculation Agent deems relevant;

“**Securities**” means each Series of the multi-asset basket open end certificates specified in the applicable Final Terms and each such certificate a “**Security**”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series specified in the applicable Final Terms;

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

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

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

“**Share**” means each of the shares specified as such in the definition of Basket for the applicable Final Terms, subject to Product Condition 4, and “**Shares**” shall be continued accordingly;

“**Share Company**” means, in relation to each Share, the share company specified as such in the definition of Basket in the applicable Final Terms, subject to Product Condition 4;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Trading Day**” means, with respect to the Basket, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on all the Exchanges and any Related Exchanges other than a day on which trading on the Exchange or any Related Exchanges is scheduled to close prior to its regular weekday closing time;

“**Underlying Currency**” means, in relation to each Basket Constituent, the currency specified as such in the definition of Basket for the relevant Series in the applicable Final Terms;

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

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

“**Weight**” means, in relation to each Basket Constituent, and subject to adjustment in accordance with Product Condition 4, the percentage specified as such in the definition of Basket for the relevant Series in the applicable Final Terms.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in the Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) Issuer Call. The Issuer may terminate the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.

- (c) Cash Settlement. Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U. S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (d) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (f) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;

- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
 - (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
 - (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (j) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (l) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (m) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with

the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

(a) Market Disruption in relation to a Commodity.

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

“Market Disruption Event” means:

- (i) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (ii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iii) Disappearance of Price. The failure of trading of the Commodity to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (iv) Material Change in Formula. The occurrence, since the Issue 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 Commodity; or
- (v) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content or composition of the Commodity; or
- (vi) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (vii) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the

Commodity on the Valuation Date, the Issuer Call 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; or

- (viii) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or
- (ix) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located; or
- (x) 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 Securities.

(b) Market Disruption in relation to a Share.

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

“Market Disruption Event” means:

- (i) 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):
 - (A) in the Shares on the Exchange or any other exchange on which the Shares are listed; or
 - (B) in any options contracts or futures contracts or other derivatives contracts relating to the Shares on any Related Exchange if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

- (c) Potential Adjustment Events in relation to a Share. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
 - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“Potential Adjustment Event” means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event) or a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a distribution of cash dividends on the Shares equal to or greater than 8 per cent., per annum of the then current market value of the Shares; (E) a call by the Share Company in respect of relevant Shares that are not fully paid; (F) a repurchase by the Share Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (G) any other

similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (d) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:
- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
 - (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
 - (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the

Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and the action proposed to be taken in relation thereto.

“De-listing” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchange on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

“Merger Event” means any (1) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (2) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares); or (3) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Share Company to the offeror, in each case if the Merger Date is on or before the Valuation Date or the Issuer Call Date.

“**Nationalisation**” means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO SPREAD OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Absolute Notional Position**” means as of the Launch Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount expressed in the Settlement Currency determined by the Calculation Agent on each Trading Day equal to:

$$\text{ANP}(t) = 100 \times \left(\frac{S_1(t)}{S_1(0)} + \frac{S_2(t)}{S_2(0)} \right)$$

Where:

ANP(t) = Absolute Notional Position on Trading Day t;

$S_1(0)$ = with respect to the Long Reference Asset, the Initial Reference Asset Price, converted into the Settlement Currency at the Initial Exchange Rate, if applicable;

$S_1(t)$ = with respect to the Long Reference Asset, the Reference Asset Price, converted into the Settlement Currency at the prevailing Exchange Rate, if applicable;

$S_2(0)$ = with respect to the Short Reference Asset, the Initial Reference Asset Price, converted into the Settlement Currency at the Initial Exchange Rate, if applicable;

$S_2(t)$ = with respect to the Short Reference Asset, the Reference Asset Price, converted into the Settlement Currency at the prevailing Exchange Rate, if applicable;

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Additional Market Disruption Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “Agents” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Applicable Dividends**” means, where Dividends is specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, (i) in respect of the Long Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty and without reference to tax credits, and less Expenses, and (ii) in respect of the Short Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period without regard to any withholding tax or other deductions multiplied by the prevailing percentage payable under standard stock borrow agreements, as observed by The Royal Bank of Scotland N.V., and less Expenses;

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

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

(a) Upon Exercise:

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

(b) Following an Issuer Automatic Call Event:

$(\text{Stop Loss Termination Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}$, less Expenses (the “**Issuer Automatic Call Cash Amount**”); or

(c) Upon an Issuer Call:

(Termination Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Issuer Call Cash Amount**”); or

(d) Following a Stop Loss Event:

(Stop Loss Termination Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Stop Loss Cash Amount**”),

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Fee**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount in the Settlement Currency that will be calculated by the Calculation Agent on a daily basis from the Launch Date in accordance with the following formula:

$$CF(t) = F \times DCF(t-1, t) \times ANP(t-1)$$

Where:

CF(t) = Certificate Fee on Trading Day t;

F = Certificate Fee Level;

DCF(t-1,t) = Day Count Fraction between the immediately preceding Trading Day (t-1) and Trading Day t;

ANP(t-1) = Absolute Notional Position at the Valuation Time on the immediately preceding Trading Day (t-1);

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

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

$$CV(t) = [RASL(t) + CA(t)] \times CE$$

Where:

CV(t) = Certificate Value on Trading Day t;

RASL(t) = Reference Asset Spread Level on Trading Day t;

CA (t) = Daily Cash Amount on Trading Day t; and

CE = Entitlement;

provided that the Certificate Value shall not be less than zero;

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

“**Commodity**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Daily Cash Amount**” means as of the Launch Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

$$CA(t) = CA(t-1) \times (1 + DCF(t-1, t) \times Rate_{t-1}) - MF(t) + D(t)$$

Where:

CA(t) = Daily Cash Amount on Trading Day t;

CA(t-1) = Daily Cash Amount on the immediately preceding Trading Day t-1;

DCF(t-1, t) = Day Count Fraction between Trading Day (t-1) and Trading Day t;

Rate_{t-1} = Rate on immediately preceding Trading Day t-1;

CF(t) = Certificate Fee on Trading Day t; and

D(t) = (i) If Dividends are specified as being Applicable, the Dividend Amount on Trading Day t, and otherwise (ii) zero;

“**Day Count Fraction**” means the day count fraction specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Dividend Amount**” means, where Dividends are specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, an amount, as determined by the Calculation Agent, equal to the sum of the product for each Reference Asset of (a) the Applicable Dividends converted into the Settlement Currency at the prevailing Exchange Rate, and (b) the Weighting for such Reference Asset. This amount may be negative;

“**Dividend Period**” means a period from (but excluding) a Reset Date to (and including) the next following Reset Date;

“**Dividends**” are either Applicable or Not Applicable, as specified in the definition of the relevant Series in the applicable Final Terms;

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

- (i) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) **Price Source Disruption.** It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) **Inconvertibility/non-transferability.** The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) **Nationalisation.** Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

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

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

“**Exchange**” means (i) in respect of an Index, the exchange or quotation system from which the Index Sponsor takes the prices of the shares or other securities that comprise the Index (the “**Index Shares**”) to compute the Index or any successor to such exchange or quotation system, and otherwise (ii) in respect of a Commodity, Fund which is an exchange traded fund or a Share, the exchange or quotation system specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or any successor to such exchange or quotation system. “Exchanges” shall be construed accordingly;

“**Exchange Rate**” means, where the Reference Asset Currency is different to the Settlement Currency, the rate of exchange between the Reference Asset Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

“**Exercise Date**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to a Stop Loss Event or Issuer Automatic Call Event, the third Business Day preceding a Valuation Date;

“Exercise Time” means 10.00 am (C.E.T.);

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

“Final Reference Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Fund” means each Reference Asset specified as such (including exchange traded funds) in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Administrator” means, in respect of any Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“Fund Adviser” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“Fund Documents” means, with respect to any Fund or Fund Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Fund Reference Asset specifying the terms and conditions relating to such Fund or Fund Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

“Fund Event” means each event specified as such in Product Condition 4(d) and any Additional Fund Event specified in the definition of the relevant Series in the applicable Final Terms;

“Fund Prospectus” means the disclosure document howsoever described prepared in connection with the marketing of a Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Fund Reference Asset” means the relevant interests in each Fund or if the Fund is an exchange traded fund the relevant interests specified as “Fund Reference Assets” in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Service Provider” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“Hedging Agreement” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“Inclusion Date” means (i) in respect of any Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

“Index” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Index Sponsor” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“Initial Exchange Rate” means, unless otherwise specified in the definition of Spread in the relevant Series in the applicable Final Terms, in relation to each Reference Asset, the Exchange Rate at the Valuation Time on the Pricing Date, subject to adjustment in accordance with Product Condition 4;

“Initial Reference Asset Price” means, unless otherwise specified in the definition of Spread in the relevant Series in the applicable Final Terms, in respect of each Reference Asset, the

Reference Asset Price at the Valuation Time on the Pricing Date, subject to adjustment in accordance with Product Condition 4;

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

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

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

“**Issuer Automatic Call Date**” means a day on which an Issuer Automatic Call Event occurs;

“**Issuer Automatic Call Event**” occurs if on any Trading Day from and including the Launch Date either (i) the Certificate Value at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is less than the Minimum Certificate Value, or (ii) the Leverage at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is greater than the Maximum Leverage;

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

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

“**Issuer Call Date**” means the day specified as such in the notice delivered in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (A) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (B) the Issuer or the Calculation Agent on its behalf shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

- (ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(e) shall apply and the Issuer Call Date shall be adjusted accordingly;

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

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

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

$$L(t) = \frac{ANP(t)}{CV(t)}$$

Where:

L(t) = Leverage on Trading Day t;

ANP(t) = Absolute Notional Position on Trading Day t;

CV(t) = Certificate Value on Trading Day t;

“**Long Reference Asset**” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“**Maximum Leverage**” means the leverage specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“**Minimum Certificate Value**” means the amount specified as such in the definition of the relevant Series in the applicable Final Terms;

“**NAV**” means net asset value;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

“**Pricing Date**” means the date or dates specified as such in the applicable Final Terms, subject to adjustment by the Issuer or the Calculation Agent on its behalf if, in adverse market conditions, in the opinion of the Issuer or the Calculation Agent on its behalf, the circumstances so require;

“**Rate**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the prevailing rate for deposits in the Settlement Currency with a designated maturity of either 1 month or overnight (designated maturity selected by the Calculation Agent at its sole discretion), as determined by the Calculation Agent for each Day Count Fraction;

“**Reference Asset**” means each of the Long Reference Asset and Short Reference Asset as specified in the definition of Spread in the relevant Series in the applicable Final Terms (and together the “**Reference Assets**”), subject to adjustment in accordance with Product Condition 4;

“**Reference Asset Company**” means, in respect of each Share, the company specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“Reference Asset Currency” means, in respect of each Reference Asset, the currency specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Reference Asset Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, (i) in respect of an Index, the current level of such Index or if the Valuation Time has already passed, the closing level of such Index, (ii) in respect of a Share, a Fund which is an exchange traded fund or Commodity, the current price of such Share, Fund Reference Asset or Commodity, as the case may be, quoted on the Exchange, or if the Exchange has closed, the closing price of such Share, Fund Reference Asset or Commodity, (iii) in respect of a Fund, the NAV of the Fund as quoted by the fund manager or, in relation to all of (i) (ii) and (iii), (if in the determination of the Calculation Agent no such price, level or NAV can be determined and no Market Disruption Event or Fund Event has occurred and is continuing) a price, level or NAV determined by the Calculation Agent as its estimate of the price, level or NAV of the Reference Asset at such time having regard to the then prevailing market conditions, the last reported trading price or NAV as applicable of (i) in respect of an Index, the Index Shares, (ii) in respect of a Fund which is an exchange traded fund, the Fund Reference Asset on the Exchange and otherwise (iii) the Reference Asset on the Exchange, if applicable, and such other factors as the Calculation Agent determines relevant unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

(A) a Market Disruption Event occurs on any day which is not the Issuer Call Date nor the Valuation Date, in which case the Reference Asset Price shall be deemed to be the Reference Asset Price on the previous Trading Day, save that if a Market Disruption Event occurs on the Relevant Number of Trading Days preceding such date, then on the last day of the Relevant Number of Trading Days preceding such date the Issuer or the Calculation Agent on its behalf shall determine the Reference Asset Price having regard to the then prevailing market conditions, the last reported trading price of (i) in respect of an Index, the Index Shares, and otherwise (ii) the Reference Asset on the Exchange, if applicable, and such other factors as the Calculation Agent determines to be relevant and such day shall be deemed to be a day on which a Market Disruption Event does not occur for the purposes of this definition);
or

(B) a Fund Event occurs on any such day, in which case the provisions of Product Condition 4(e) shall apply and the Reference Asset Price shall be adjusted accordingly;

“Reference Asset Spread Level” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount, which may be a negative amount,

expressed in the Settlement Currency and determined by the Spread Index Agent on any Trading Day equal to:

$$RASL(t) = 100 \times \left(\frac{S_1(t)}{S_1(0)} - \frac{S_2(t)}{S_2(0)} \right)$$

Where:

RASL(t) = Reference Asset Spread Level on Trading Day t;

$S_1(0)$ = with respect to the Long Reference Asset, the Initial Reference Asset Price, converted into the Settlement Currency at the Initial Exchange Rate, if applicable;

$S_1(t)$ = with respect to the Long Reference Asset, the Reference Asset Price, converted into the Settlement Currency at the prevailing Exchange Rate, if applicable;

$S_2(0)$ = with respect to the Short Reference Asset, the Initial Reference Asset Price, converted into the Settlement Currency at the Initial Exchange Rate, if applicable;

$S_2(t)$ = with respect to the Short Reference Asset, the Reference Asset Price, converted into the Settlement Currency at the prevailing Exchange Rate, if applicable;

“**Related Exchange**” means in respect of the Reference Assets, an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Reference Asset are traded and “**Related Exchanges**” shall be construed accordingly;

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

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

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

“Relevant Party” means each of the Fund and the Fund Adviser;

“Replacement Fund” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(e)(B). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“Reset Date” means, unless otherwise specified in the definition of the Series in the applicable Final Terms, the Launch Date and thereafter each Business Day, at the determination of the Calculation Agent;

“Securities” means the spread open end certificates relating to the Reference Assets and each a **“Security”**. References to the terms **“Securities”** and **“Security”** shall be construed severally with respect to each Series;

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

“Settlement Date” means the fifth Business Day following (i) the Valuation Date, (ii) the last day of the Stop Loss Termination Valuation Period, or (iii) the Issuer Call Date, as the case may be;

“Share” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Short Reference Asset” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“Spread Index Agent” means the agent specified as such in the definition of the relevant Series in the applicable Final Terms, and references to Spread Index Agent shall include any successor spread index agent;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Stop Loss Event**” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if the Reference Asset Spread Level is at the Valuation Time on any Trading Day from and including the Launch Date, other than a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event or a Fund Event, less than the Stop Loss Price;

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

“**Stop Loss Termination Date**” means the Trading Day on which the Stop Loss Event occurs;

“**Stop Loss Termination Reference Price**” means, subject to any adjustment in accordance with Product Condition 4, an amount in the Settlement Currency, as determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Reference Asset Spread Level as determined by the Calculation Agent by reference to the unwinding of the hedging position on a best effort basis during the Stop Loss Termination Valuation Period. The Stop Loss Termination Reference Price will be equal to at least the lowest Reference Asset Spread Level during the Stop Loss Termination Valuation Period;

“**Stop Loss Termination Valuation Period**” means (a) following an Issuer Automatic Call Event, the Issuer Automatic Call Date or if the Automatic Call Event occurs at the Valuation Time, the following Trading Day, or (b) following a Stop Loss Event, the Stop Loss Termination Date, or if the Stop Loss Event occurs at the Valuation Time, the following Trading Day;

“**Substitution Date**” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“**Termination Reference Price**” means an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Trading Day” means (i) in respect of an Index, any day on which the Index Sponsor should calculate and publish the closing level of the index according to its rules, or (ii) in respect of a Share, Fund that is an exchange traded fund or Commodity, any day that is (or, but for the occurrence of a Market Disruption Event or a Fund Event, as applicable 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, or (iii) in respect of a Fund, any day on which dealing in the Fund can take place;

“Valuation Date” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the last Trading Day of March in each year, commencing at least one year after the Issue Date (or, following a valid Exercise, if later, three Trading Days following the Exercise Date) unless, in the determination of the Issuer or the Calculation Agent on its behalf, either

(i) a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

(ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(e) shall apply and the Valuation Date shall be adjusted accordingly;

“Valuation Time” means, unless otherwise specified in the definition of the relevant Series, (i) in respect of an Index, the time with reference to which the Index Sponsor calculates and publishes the closing level of the Index, or (ii) in respect of a Share or Commodity, the close of trading on the Exchange, or (iii) in respect of a Fund (other than those Funds which are exchange traded funds), the time with reference to which the fund manager publishes the net asset value, or (iv) with respect to Funds which are exchange traded funds the time specified as such in the definition of the relevant series in the applicable Final Terms, or in relation to (i) (ii), (iii) or (iv) such other time as the Issuer or the Calculation Agent on its behalf may

select in its absolute discretion and notify to Holders in accordance with General Condition 4; and

“**Weighting**” means, in respect of each Reference Asset, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the weighting of the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or, if weighting is not specified as such:

(a) in respect of the Long Reference Asset:

100 units of the Settlement Currency
Initial Reference Asset Price converted into the Settlement Currency at the Initial Exchange Rate;

and

(b) in respect of the Short Reference Asset:

-100 units of the Settlement Currency
Initial Reference Asset Price converted into the Settlement Currency at the Initial Exchange Rate,

subject to adjustment in accordance with Product Condition 4.

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

2. FORM

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

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for

the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Provided no Stop Loss Event or Issuer Automatic Call Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically in whole but not in part and the Issuer will give notice to the Holders in accordance with General Condition 4. A Stop Loss Event will override an Issuer Call, Issuer Automatic Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date, Issuer Automatic Call Date or Valuation Date as the case may be.
- (c) Issuer Call. The Issuer may terminate, subject to a valid Exercise, an Issuer Automatic Call or a Stop Loss Event, the Securities, in whole but not in part on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (d) Issuer Automatic Call. Following an Issuer Automatic Call Event, the Securities will terminate automatically in whole but not in part. An Issuer Automatic Call Event will override an Issuer Call, and/or due Exercise if the Issuer Automatic Call Event occurs prior to an Issuer Call Date or Valuation Date as the case may be.
- (e) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive from the Issuer on the Settlement Date either:
 - (i) The Exercise Cash Amount, following a valid Exercise; or
 - (ii) The Issuer Call Cash Amount, following a valid Issuer Call; or
 - (iii) The Issuer Automatic Call Cash Amount, following Issuer Automatic Call; or
 - (iv) The Stop Loss Cash Amount, following a Stop Loss Event.
- (f) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next

following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (g) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Reference Assets.

- (h) Notice. All payments shall be subject to the delivery of a duly completed notice (a “Notice”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “U.S. person” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (i) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
 - (j) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
 - (k) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

taken by it in connection with such determination or the notification of such determination to a Holder.

- (l) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (m) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (m) Method of Payment. Subject as provided below, where the any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (n) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

In respect of a Share, “**Market Disruption Event**” means:

- (i) 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 in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise): (A) the Reference Assets on the Exchange or any other exchange on which the Reference Assets are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Reference Assets on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

In respect of an Index, “**Market Disruption Event**” means:

- (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located; or
- (ii) the occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
 - (A) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or

limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or

- (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

In respect of a Commodity, “**Market Disruption Event**” means:

- (i) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (ii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iii) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (iv) 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 Commodity; or
- (v) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content or composition of the Commodity; or
- (vi) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or

- (vii) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity 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; or
 - (viii) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or
 - (ix) 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
 - (x) 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 Securities.
- (b) Adjustment Events.

In respect of a Share:

Following a declaration by a Reference Asset Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

- (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (ii) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“**Potential Adjustment Event**” means any of the following: (i) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (ii) a distribution or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Asset Company equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (iii) an extraordinary dividend; (iv) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (v) a call by the Reference Asset Company in respect of relevant Shares that are not fully paid; (vi) a repurchase by the Reference Asset Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vii) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

“**Merger Event**”, in this Product Condition 4(b) only, means any (i) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (ii) consolidation, amalgamation, merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Reference Asset Company); or (iii) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Reference Asset Company to the offeror, in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

In respect of an Index:

- (i) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the

same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (ii) If (A) on any day the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on any day the Index Sponsor or, if applicable the Successor Sponsor fails to calculate and/or publish the Index then (in either case) the Calculation Agent shall determine the Reference Asset Price using, in lieu of a published level for the Index on such day, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Index Shares are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.
- (iii) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not, in the opinion of the Calculation Agent, made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account: (A) a distribution or dividend to existing holders of the Index Shares of: (aa) Index Shares; or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Index Shares equally or proportionately with such payments to holders of Index Shares or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or

dividend of any Index Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Index Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date; (G) a distribution of cash dividends on the Index Shares equal to or greater than 8 per cent. per annum of the then current market value of the Index Shares; or (H) any other similar event having a dilutive or concentrative effect on the theoretical value of the Index Shares.

- (iv) The Issuer reserves the right to make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should, in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) De-listing, Merger Event, Nationalisation and Insolvency in respect of a Share. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Reference Asset Company, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that

adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

- (ii) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to fully account for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (iii) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

“**De-listing**” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

“**Merger Event**”, in this Product Condition 4(c) only, means any (i) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (ii) consolidation, amalgamation, merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Reference Asset Company); or (iii) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Reference Asset Company to the offeror, in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

“**Nationalisation**” means that all the Shares of a Reference Asset Company or all the assets or substantially all the assets of a Reference Asset Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Reference Asset Company, (i) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (ii) holders of the Shares of that Reference Asset Company become legally prohibited from transferring them.

- (d) Fund Events.

Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Fund Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Fund Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.

(A) Global Events:

- (1) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund’s portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Fund Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.

- (2) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.
- (3) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (4) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

- (5) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Fund Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(d)(A)(5)(c)(I) above and in the case of this clause 4(d)(A)(5)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund

becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(d)(A)(5)(a) through 4(d)(A)(5)(f) above.

- (6) The Fund or any Fund Service Provider becomes party to any litigation or dispute.
- (7) Any Merger Event occurs or is threatened.
- (8) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (9) In respect of any Fund Reference Assets, any fraudulent or negligent entry is made on the register of such Fund Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Fund Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (10) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Fund Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Fund Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Fund Reference Assets that it may hold and/or (ii) any internal

exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Fund Reference Assets held by them.

- (11) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
 - (12) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.
- (B) NAV/Price and Reporting:
- (1) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Fund Reference Assets on the Exchange.
 - (2) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.
 - (3) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.

- (4) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.
- (5) (i) In respect of any Fund Reference Asset, the occurrence of any event affecting such Fund Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Fund Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation

methodologies, the occurrence of any Fund Event or any other similar policies relating to such Fund Reference Assets).

(C) Fund Reference Assets:

Any of the following events relating to the Fund Reference Assets occurs:

- (1) a subdivision, reclassification or distribution of Fund Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (2) a portion of each Fund Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of “side-pocket” which affects the Fund Reference Assets;
- (3) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Fund Reference Assets, capital, securities, rights or other assets or interests to existing holders of Fund Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (4) any suspension or limitation on the trading of the relevant currencies in which the Fund Reference Assets are denominated or any amendment to the currency of denomination of the Fund Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(D) Trading and Fees:

- (1) In respect of the Fund Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Fund Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Fund Reference Assets as of such date).

- (2) Any suspension of or limitation imposed on trading of the Fund or on trading in the Fund Reference Assets (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Fund Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.
- (3) The frequency at which Fund Reference Assets can be traded is amended or the timing for subscription or redemption of Fund Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.
- (4) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Fund Reference Assets or is entitled to any other amount and:

- (I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or

- (II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Fund Reference Assets or be entitled to actual payment of any such other amount.

(E) Fund Adviser and Fund Service Provider Failures:

- (1) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.
- (2) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Fund have been breached and not cured.

any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

- (C) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
- (D) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Fund Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Fund Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (1) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (2) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (1) or (2) of this clause 4(b)(iv) (as determined by the Issuer or the Calculation Agent on its behalf), (3) 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 notionally charged to the Securities) (any of (1), (2) or (3), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(e), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

(f) Fund Event Methodology and Determinations:

- (A) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Fund Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Fund Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
- (B) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
- (C) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether

actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO QUANTO SPREAD OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Absolute Notional Position**” means as of the Launch Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount expressed in the Settlement Currency determined by the Calculation Agent on each Trading Day equal to:

$$ANP(t) = 100 \times \left(\frac{S_1(t)}{S_1(0)} + \frac{S_2(t)}{S_2(0)} \right)$$

Where:

ANP(t) = Absolute Notional Position on Trading Day t;

S₁(0) = with respect to the Long Reference Asset, the Initial Reference Asset Price;

S₁(t) = with respect to the Long Reference Asset, the Reference Asset Price;

S₂(0) = with respect to the Short Reference Asset, the Initial Reference Asset Price;

S₂(t) = with respect to the Short Reference Asset, the Reference Asset Price;

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Additional Market Disruption Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Applicable Dividends**” means, where Dividends is specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, (i) in respect of the Long Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty and without reference to tax credits, and less Expenses, and (ii) in respect of the Short Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period without regard to any withholding tax or other deductions multiplied by the prevailing percentage payable under standard stock borrow agreements, as observed by The Royal Bank of Scotland N.V., and less Expenses;

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

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

(a) Upon Exercise:

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

(b) Following an Issuer Automatic Call Event:

$(\text{Stop Loss Termination Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}$, less Expenses (the “**Issuer Automatic Call Cash Amount**”); or

(c) Upon an Issuer Call:

$(\text{Termination Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}$, less Expenses (the “**Issuer Call Cash Amount**”); or

(d) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}$, less Expenses (the “**Stop Loss Cash Amount**”),

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Fee**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount in the Settlement Currency that will be calculated by the Calculation Agent on a daily basis from the Launch Date in accordance with the following formula:

$$CF(t) = F \times DCF(t-1, t) \times ANP(t-1)$$

Where:

CF(t) = Certificate Fee on Trading Day t;

F = Certificate Fee Level;

DCF(t-1,t) = Day Count Fraction between the immediately preceding Trading Day (t-1) and Trading Day t;

ANP(t-1) = Absolute Notional Position at the Valuation Time on the immediately preceding Trading Day (t-1);

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

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

$$CV(t) = [RASL(t) + CA(t)] \times CE$$

Where:

CV(t) = Certificate Value on Trading Day t;

RASL(t) = Reference Asset Spread Level on Trading Day t;

CA (t) = Daily Cash Amount on Trading Day t; and

CE = Entitlement;

provided that the Certificate Value shall not be less than zero;

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

“**Commodity**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Daily Cash Amount**” means as of the Launch Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

$$CA(t) = CA(t-1) \times (1 + DCF(t-1, t) \times Rate_{t-1}) - QMF(t) - MF(t) + D(t)$$

Where:

CA(t) = Daily Cash Amount on Trading Day t;

CA(t-1) = Daily Cash Amount on the immediately preceding Trading Day t-1;

DCF(t-1, t) = Day Count Fraction between Trading Day (t-1) and Trading Day t;

Rate_{t-1} = Rate on immediately preceding Trading Day t-1;

QMF(t) = Quanto Maintenance Fee of Trading Day t;

CF(t) = Certificate Fee on Trading Day t; and

D(t) = (i) If Dividends are specified as being Applicable, the Dividend Amount on Trading Day t, and otherwise (ii) zero;

“**Day Count Fraction**” means the day count fraction specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Dividend Amount**” means, where Dividends are specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, an amount, as determined by the Calculation Agent, equal to the sum of the product for each Reference Asset of (a) the Applicable Dividends converted into the Settlement Currency at the Exchange Rate, and (b) the Weighting for such Reference Asset. This amount may be negative;

“**Dividend Period**” means a period from (but excluding) a Reset Date to (and including) the next following Reset Date;

“**Dividends**” are either Applicable or Not Applicable, as specified in the definition of the relevant Series in the applicable Final Terms;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

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

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

“**Exchange**” means (i) in respect of an Index, the exchange or quotation system from which the Index Sponsor takes the prices of the shares or other securities that comprise the Index (the “**Index Shares**”) to compute the Index or any successor to such exchange or quotation system, and otherwise (ii) in respect of a Commodity, Fund which is an exchange traded fund or a Share, the exchange or quotation system specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or any successor to such exchange or quotation system. “Exchanges” shall be construed accordingly;

“**Exchange Rate**” means, where the Reference Asset Currency is different to the Settlement Currency, the fixed rate of exchange of 1 unit of the Reference Asset Currency to 1 unit of the Settlement Currency;

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

“**Exercise Date**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to a Stop Loss Event or Issuer Automatic Call Event, the third Business Day preceding a Valuation Date;

“Exercise Time” means 10.00 am (C.E.T.);

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

“Final Reference Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Fund” means each Reference Asset specified as such (including exchange traded funds) in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Administrator” means, in respect of any Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“Fund Adviser” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“Fund Documents” means, with respect to any Fund or Fund Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Fund Reference Asset specifying the terms and conditions relating to such Fund or Fund Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

“Fund Event” means each event specified as such in Product Condition 4(d) and any Additional Fund Event specified in the definition of the relevant Series in the applicable Final Terms;

“Fund Prospectus” means the disclosure document howsoever described prepared in connection with the marketing of a Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Fund Reference Asset” means the relevant interests in each Fund or if the Fund is an exchange traded fund the relevant interests specified as “Fund Reference Assets” in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Service Provider” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“Governmental Authority” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“Hedging Agreement” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“Inclusion Date” means (i) in respect of any Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

“Index” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Index Sponsor” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“Initial Quanto Maintenance Fee Level” means the percentage specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Initial Reference Asset Price” means, unless otherwise specified in the definition of Spread in the relevant Series in the applicable Final Terms, in respect of each Reference Asset, the Reference Asset Price at the Valuation Time on the Pricing Date, subject to adjustment in accordance with Product Condition 4;

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

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

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

“Issuer Automatic Call Date” means a day on which an Issuer Automatic Call Event occurs;

“Issuer Automatic Call Event” occurs if on any Trading Day from and including the Launch Date either (i) the Certificate Value at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is less than the Minimum Certificate Value, or (ii) the Leverage at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is greater than the Maximum Leverage;

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

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

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

- (i) a Market Disruption Event has occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (A) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (B) the Issuer or the Calculation Agent on its behalf shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or
- (ii) A Fund Event has occurred and is continuing on any such day, in which case the provisions of Product Condition 4(e) shall apply and the Issuer Call Date shall be adjusted accordingly;

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

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

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

$$L(t) = \frac{ANP(t)}{CV(t)}$$

Where:

L(t) = Leverage on Trading Day t;

ANP(t) = Absolute Notional Position on Trading Day t;

CV(t) = Certificate Value on Trading Day t;

“**Long Reference Asset**” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“**Maximum Leverage**” means the leverage specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“**Minimum Certificate Value**” means the amount specified as such in the definition of the relevant Series in the applicable Final Terms;

“**NAV**” means net asset value;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET 2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

“**Pricing Date**” means the date or dates specified as such in the applicable Final Terms, subject to adjustment by the Issuer or the Calculation Agent on its behalf if, in adverse market conditions, in the opinion of the Issuer or the Calculation Agent on its behalf, the circumstances so require;

“**Quanto Maintenance Fee**” means a fee in the Settlement Currency covering the Issuer’s expenses of arranging the Exchange Rate for the Holders and will be calculated on a daily basis from the Launch Date in accordance with the following formula:

$$\begin{aligned}
 QMF(t) = & 100 \times \left(\frac{S_1(t-1)}{S_1(0)} \right) \times QMFL_1(t-1) \times DCF(t-1.t) \\
 & - 100 \times \left(\frac{S_2(t-1)}{S_2(0)} \right) \times QMFL_2(t-1) \times DCF(t-1.t)
 \end{aligned}$$

where:

QMF(t) = Quanto Maintenance Fee on Trading Day t;

$S_1(0)$ = with respect to the Long Reference Asset, the Initial Reference Asset Price;

$S_1(t-1)$ = with respect to the Long Reference Asset, the Reference Asset Price on the immediately preceding Trading Day t-1;

- $QMFL_1(t-1)$ = with respect to the Long Reference Asset, the Quanto Maintenance Fee Level on the immediately preceding Trading Day t-1;
- $S_2(0)$ = with respect to the Short Reference Asset, the Initial Reference Asset Price; and
- $S_2(t-1)$ = with respect to the Short Reference Asset, the Reference Asset Price on the immediately preceding Trading Day t-1;
- $QMFL_2(t-1)$ = with respect to the Short Reference Asset, the Quanto Maintenance Fee Level on the immediately preceding Trading Day t-1; and
- $DCF(t-1,t)$ = Day Count Fraction between the immediately preceding Trading Day t-1 and Trading Day t.

If the Issuer realises a profit when arranging the Exchange Rate, the Quanto Maintenance Fee can be negative;

“Quanto Maintenance Fee Level” means, in respect of each Reference Asset, the Initial Quanto Maintenance Fee Level on the Launch Date and thereafter the relevant Quanto Maintenance Fee Level per annum as determined by the Calculation Agent having regard to the prevailing market conditions, the correlation between the Reference Asset and the prevailing rate of exchange between the Reference Asset Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the expenses for arranging the Exchange Rate. The Quanto Maintenance Fee Level may be reset on a daily basis and may be negative;

“Rate” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the prevailing rate for deposits in the Settlement Currency with a designated maturity of either 1 month or overnight (designated maturity selected by the Calculation Agent at its sole discretion), as determined by the Calculation Agent for each Day Count Fraction;

“Reference Asset” means each of the Long Reference Asset and Short Reference Asset as specified in the definition of Spread in the relevant Series in the applicable Final Terms (and together the **“Reference Assets”**), subject to adjustment in accordance with Product Condition 4;

“Reference Asset Company” means, in respect of each Share, the company specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Reference Asset Currency**” means, in respect of each Reference Asset, the currency specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“**Reference Asset Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, (i) in respect of an Index, the current level of such Index or if the Valuation Time has already passed, the closing level of such Index, (ii) in respect of a Share, a Fund which is an exchange traded fund or Commodity, the current price of such Share, Fund Reference Asset or Commodity, as the case may be, quoted on the Exchange, or if the Exchange has closed, the closing price of such Share, Fund Reference Asset or Commodity, (iii) in respect of a Fund, the NAV of the Fund as quoted by the fund manager or, in relation to all of (i), (ii) and (iii), (if in the determination of the Calculation Agent no such price, level or NAV can be determined and no Market Disruption Event or Fund Event has occurred and is continuing) a price, level or NAV determined by the Calculation Agent as its estimate of the price, level or NAV of the Reference Asset at such time having regard to the then prevailing market conditions, the last reported trading price or NAV as applicable of (i) in respect of an Index, the Index Shares, (ii) in respect of a Fund which is an exchange traded fund, the Fund Reference Asset on the Exchange and otherwise (iii) the Reference Asset on the Exchange, if applicable, and such other factors as the Calculation Agent determines relevant unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (A) a Market Disruption Event occurs on any day which is not the Issuer Call Date nor the Valuation Date, in which case the Reference Asset Price shall be deemed to be the Reference Asset Price on the previous Trading Day, save that if a Market Disruption Event occurs on the Relevant Number of Trading Days preceding such date, then on the last day of the Relevant Number of Trading Days preceding such date the Issuer or the Calculation Agent on its behalf shall determine the Reference Asset Price having regard to the then prevailing market conditions, the last reported trading price of (i) in respect of an Index, the Index Shares and otherwise (ii) the Reference Asset on the Exchange, if applicable, and such other factors as the Calculation Agent or the Calculation Agent on its behalf determines to be relevant and such day shall be deemed to be a day on which a Market Disruption Event does not occur for the purposes of this definition); or
- (B) a Fund Event occurs on any such day, in which case the provisions of Product Condition 4(e) shall apply and the Reference Asset price shall be adjusted accordingly;

“**Reference Asset Spread Level**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount, which may be a negative amount, expressed in the Settlement Currency and determined by the Spread Index Agent on any Trading Day equal to:

$$\text{RASL}(t) = 100 \times \left(\frac{S_1(t)}{S_1(0)} - \frac{S_2(t)}{S_2(0)} \right)$$

Where:

RASL(t) = Reference Asset Spread Level on Trading Day t;

$S_1(0)$ = with respect to the Long Reference Asset, the Initial Reference Asset Price;

$S_1(t)$ = with respect to the Long Reference Asset, the Reference Asset Price;

$S_2(0)$ = with respect to the Short Reference Asset, the Initial Reference Asset Price;

$S_2(t)$ = with respect to the Short Reference Asset, the Reference Asset Price;

“**Related Exchange**” means in respect of the Reference Assets, an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Reference Asset are traded and “Related Exchanges” shall be construed accordingly;

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

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

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

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

“**Relevant Party**” means each of the Fund and the Fund Adviser;

“**Replacement Fund**” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(d)(ii)(B). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“**Reset Date**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Launch Date and thereafter each Business Day, at the determination of the Calculation Agent;

“**Securities**” means the quanto spread open end certificates relating to the Reference Assets and each a “**Security**”. References to the terms “**Securities**” and “**Security**” shall be construed severally with respect to each Series;

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

“**Settlement Date**” means the fifth Business Day following (i) the Valuation Date, (ii) the last day of the Stop Loss Termination Valuation Period, or (iii) the Issuer Call Date, as the case may be;

“**Share**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“**Short Reference Asset**” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“**Spread Index Agent**” means the agent specified as such in the definition of the relevant Series in the applicable Final Terms, and references to Spread Index Agent shall include any successor spread index agent;

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

Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Stop Loss Event**” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if the Reference Asset Spread Level is at the Valuation Time on any Trading Day from and including the Launch Date, other than a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event or a Fund Event, less than the Stop Loss Price;

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

“**Stop Loss Termination Date**” means the Trading Day on which the Stop Loss Event occurs;

“**Stop Loss Termination Reference Price**” means, subject to any adjustment in accordance with Product Condition 4, an amount in the Settlement Currency, as determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Reference Asset Spread Level as determined by the Calculation Agent by reference to the unwinding of the hedging position on a best effort basis during the Stop Loss Termination Valuation Period. The Stop Loss Termination Reference Price will be equal to at least the lowest Reference Asset Spread Level during the Stop Loss Termination Valuation Period;

“**Stop Loss Termination Valuation Period**” means (a) following an Issuer Automatic Call Event, the Issuer Automatic Call Date or if the Automatic Call Event occurs at the Valuation Time, the following Trading Day, or (b) following a Stop Loss Event, the Stop Loss Termination Date or if the Stop Loss Event occurs at the Valuation Time, the following Trading Day;

“**Substitution Date**” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“**Termination Reference Price**” means an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Trading Day**” means (i) in respect of an Index, any day on which the Index Sponsor should calculate and publish the closing level of the index according to its rules, or (ii) in respect of a Share, Fund that is an exchange traded fund or Commodity, any day that is (or, but for the occurrence of a Market Disruption Event or a Fund Event, as applicable 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, or (iii) in respect of a Fund, any day on which dealing in the Fund can take place;

“Valuation Date” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the last Trading Day of March in each year, commencing at least one year after the Issue Date (or, following a valid Exercise, if later, three Trading Days following the Exercise Date) unless, in the determination of the Issuer or the Calculation Agent on its behalf, either:

- (i) a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or
- (ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(e) shall apply and the Valuation Date shall be adjusted accordingly.

“Valuation Time” means, unless otherwise specified in the definition of the relevant Series, (i) in respect of an Index, the time with reference to which the Index Sponsor calculates and publishes the closing level of the Index, or (ii) in respect of a Share or Commodity, the close of trading on the Exchange, or (iii) in respect of a Fund (other than those Funds which are exchange traded funds), the time with reference to which the fund manager publishes the net asset value, or (iv) with respect to Funds which are exchange traded funds the time specified as such in the definition of the relevant series in the applicable Final Terms, or in relation to (i) (ii), (iii) or (iv) such other time as the Issuer or the Calculation Agent on its behalf may select in its absolute discretion and notify to Holders in accordance with General Condition 4; and

“Weighting” means, in respect of each Reference Asset, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the weighting of the Reference

Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or, if weighting is not specified as such:

- (a) in respect of the Long Reference Asset:

100 units of the Settlement Currency
Initial Reference Asset Price converted into the Settlement Currency at the Exchange
Rate;

and

- (b) in respect of the Short Reference Asset:

-100 units of the Settlement Currency
Initial Reference Asset Price converted into the Settlement Currency at the Exchange
Rate,

subject to adjustment in accordance with Product Condition 4.

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

2. FORM

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

pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.

- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Provided no Stop Loss Event or Issuer Automatic Call Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically in whole but not in part and the Issuer will give notice to the Holders in accordance with General Condition 4. A Stop Loss Event will override an Issuer Call, Issuer Automatic Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date, Issuer Automatic Call Date or Valuation Date as the case may be.
- (c) Issuer Call. The Issuer may terminate, subject to a valid Exercise, an Issuer Automatic Call or a Stop Loss Event, the Securities, in whole but not in part on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (d) Issuer Automatic Call. Following an Issuer Automatic Call Event, the Securities will terminate automatically in whole but not in part. An Issuer Automatic Call Event will override an Issuer Call, and/or due Exercise if the Issuer Automatic Call Event occurs prior to an Issuer Call Date or Valuation Date as the case may be.
- (e) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive from the Issuer on the Settlement Date either:
 - (i) The Exercise Cash Amount, following a valid Exercise; or
 - (ii) The Issuer Call Cash Amount, following a valid Issuer Call; or
 - (iii) The Issuer Automatic Call Cash Amount, following Issuer Automatic Call; or
 - (iv) The Stop Loss Cash Amount, following a Stop Loss Event.
- (f) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

- (g) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (h) The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Reference Assets.

Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “U.S. person” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;

- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (i) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (j) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (k) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

- (l) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (m) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (n) Method of Payment. Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (o) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

In respect of a Share, “**Market Disruption Event**” means:

- (i) 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 in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise): (A) the Reference Assets on the Exchange or any other exchange on which the Reference Assets are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Reference Assets on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

In respect of an Index, “**Market Disruption Event**” means:

- (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located; or
- (ii) the occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
 - (A) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to

the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or

- (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

In respect of a Commodity, “**Market Disruption Event**” means:

- (i) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (ii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iii) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (iv) 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 Commodity; or
- (v) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content or composition of the Commodity; or
- (vi) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or

- (vii) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity 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; or
 - (viii) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or
 - (ix) 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
 - (x) 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 Securities.
- (b) Adjustment Events.

In respect of a Share:

Following a declaration by a Reference Asset Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

- (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (ii) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“**Potential Adjustment Event**” means any of the following: (i) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (ii) a distribution or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Asset Company equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (iii) an extraordinary dividend; (iv) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (v) a call by the Reference Asset Company in respect of relevant Shares that are not fully paid; (vi) a repurchase by the Reference Asset Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vii) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

“**Merger Event**”, in this Product Condition 4(b) only, means any (i) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (ii) consolidation, amalgamation, merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Reference Asset Company); or (iii) take-over 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 that results in a transfer of, or an irrevocable commitment to transfer, a majority of the voting power of the Reference Asset Company to the offeror, in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

In respect of an Index:

- (iii) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the

same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (iv) If (A) on any day the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on any day the Index Sponsor or, if applicable the Successor Sponsor fails to calculate and/or publish the Index then (in either case) the Calculation Agent shall determine the Reference Asset Price using, in lieu of a published level for the Index on such day, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Index Shares are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.
- (v) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not, in the opinion of the Calculation Agent, made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account: (A) a distribution or dividend to existing holders of the Index Shares of: (aa) Index Shares; or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Index Shares equally or proportionately with such payments to holders of Index Shares or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or

dividend of any Index Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Index Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date; (G) a distribution of cash dividends on the Index Shares equal to or greater than 8 per cent. per annum of the then current market value of the Index Shares; or (H) any other similar event having a dilutive or concentrative effect on the theoretical value of the Index Shares.

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

- (c) De-listing, Merger Event, Nationalisation and Insolvency in respect of a Share.

If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Reference Asset Company, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation

or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

- (ii) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to fully account for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (iii) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an

adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

“**De-listing**” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

“**Merger Event**”, in this Product Condition 4(c) only, means any (i) reclassification or change to the Shares that results in a transfer of or an irrevocable commitment to transfer all or a majority of the outstanding Shares; (ii) consolidation, amalgamation, merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares); or (iii) take-over 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 that results in a transfer of or an irrevocable commitment to transfer a majority of the voting power of the Reference Asset Company to the offeror, in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

“**Nationalisation**” means that all the Shares of a Reference Asset Company or all the assets or substantially all the assets of a Reference Asset Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Reference Asset Company, (i) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (ii) holders of the Shares of that Reference Asset Company become legally prohibited from transferring them.

(d) Fund Events.

Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Fund Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Fund Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.

(A) Global Events:

- (1) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund’s portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Fund Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.

- (2) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.
- (3) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (4) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

- (5) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Fund Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(d)(A)(5)(c)(I) above and in the case of this clause 4(d)(A)(5)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund

becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(d)(A)(5)(a) through 4(d)(A)(5)(f) above.

- (6) The Fund or any Fund Service Provider becomes party to any litigation or dispute.
- (7) Any Merger Event occurs or is threatened.
- (8) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (9) In respect of any Fund Reference Assets, any fraudulent or negligent entry is made on the register of such Fund Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Fund Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (10) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Fund Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Fund Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Fund Reference Assets that it may hold and/or (ii) any internal

exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Fund Reference Assets held by them.

- (11) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
- (12) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.

(B) NAV/Price and Reporting:

- (1) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Fund Reference Assets on the Exchange.
- (2) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.
- (3) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.

- (4) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.
- (5) (i) In respect of any Fund Reference Asset, the occurrence of any event affecting such Fund Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Fund Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation

methodologies, the occurrence of any Fund Event or any other similar policies relating to such Fund Reference Assets).

(C) Fund Reference Assets:

Any of the following events relating to the Fund Reference Assets occurs:

- (1) a subdivision, reclassification or distribution of Fund Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (2) a portion of each Fund Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of “side-pocket” which affects the Fund Reference Assets;
- (3) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Fund Reference Assets, capital, securities, rights or other assets or interests to existing holders of Fund Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (4) any suspension or limitation on the trading of the relevant currencies in which the Fund Reference Assets are denominated or any amendment to the currency of denomination of the Fund Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(D) Trading and Fees:

- (1) In respect of the Fund Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Fund Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Fund Reference Assets as of such date).

- (2) Any suspension of or limitation imposed on trading of the Fund or on trading in the Fund Reference Assets (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Fund Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.
 - (3) The frequency at which Fund Reference Assets can be traded is amended or the timing for subscription or redemption of Fund Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.
 - (4) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Fund Reference Assets or is entitled to any other amount and:
 - (I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or
 - (II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Fund Reference Assets or be entitled to actual payment of any such other amount.
- (E) Fund Adviser and Fund Service Provider Failures:
- (1) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.
 - (2) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory

agreement (howsoever described) relating to the Fund have been breached and not cured.

(3) Any of: (a) the resignation, termination of appointment or replacement of the Fund Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other Fund Service Provider from its role as such occurs with respect to the Fund or (b) any change in the personnel of any Fund Service Provider occurs which the Issuer or the Calculation Agent on its behalf considers materially adversely affects the ability of such Fund Service Provider to carry out its duties with respect to the Fund.

(4) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Fund or any person on its behalf to disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Fund and of the rights attaching to the Fund Reference Assets.

(F) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (A) to (E) above.

(e) Consequences of a Fund Event.

In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a **“Permitted Action”**):

(A) (1) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (2) determine the effective date of the relevant adjustments; or

(B) select a Replacement Fund and a Substitution Date. Following any such selection (1) the Replacement Fund shall replace the affected Fund on the Substitution Date, (2) references herein to the name of the affected Fund shall

be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (3) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

- (C) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or
- (D) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Fund Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Fund Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (1) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (2) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (1) or (2) of this clause 4(e)(D) (as determined by the Issuer or the Calculation Agent on its behalf), (3) 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 notionally charged to the Securities) (any of (1), (2) or (3), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it

determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(e), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

- (f) Fund Event Methodology and Determinations:
- (A) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Fund Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Fund Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
 - (B) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
 - (C) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event

and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO QUANTO SPREAD OPEN END CERTIFICATES II

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Absolute Notional Position**” means as of the Pricing Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, with respect to each Calculation Period, an amount expressed in the Settlement Currency determined by the Calculation Agent on each Trading Day, commencing from the first Trading Day in such Calculation Period, in accordance with the following formula:

$$ANP(t) = CV(r-1) \times \left(\frac{S_1(t)}{S_1(r-1)} + \frac{S_2(t)}{S_2(r-1)} \right)$$

Where:

ANP(t) = Absolute Notional Position on Trading Day t;

$S_1(r-1)$ = with respect to the Long Reference Asset, the Reference Asset Price on the immediately preceding Rebalancing Day - 1;

$S_1(t)$ = with respect to the Long Reference Asset, the Reference Asset Price on Trading Day t or, if there has been a Market Disruption Event on such day, the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date;

$S_2(r-1)$ = with respect to the Short Reference Asset, the Reference Asset Price on the immediately preceding Rebalancing Day - 1;

$S_2(t)$ = with respect to the Short Reference Asset, the Reference Asset Price on Trading Day t or, if there has been a Market Disruption Event on such day,

the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date; and

CV(r-1) = Rebalancing Certificate Value;

“**Additional Fund Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Additional Market Disruption Events**” means those events specified as such in the definition of the relevant Series in the applicable Final Terms;

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Applicable Dividends**” means, where Dividends is specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, (i) in respect of the Long Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period net of applicable withholding taxes at a rate adjusted by application of any relevant double tax treaty and without reference to tax credits, and less Expenses, and (ii) in respect of the Short Reference Asset, an amount equal to all cash dividends and/or other cash distributions declared in respect of the Share(s) or Fund which have an ex-dividend date occurring during the current Dividend Period without regard to any withholding tax or other deductions multiplied by the prevailing percentage payable under standard stock borrow agreements, as observed by The Royal Bank of Scotland N.V., and less Expenses;

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

“**Calculation Period**” means the period commencing on (but excluding) the Pricing Date to (but excluding) the first Rebalancing Day, and each period commencing on (and including) a Rebalancing Day to (but excluding) the next following Rebalancing Day, the Valuation Date, the Issuer Call Date, Issuer Automatic Call Date or the Stop Loss Termination Date, as the case may be;

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

- (a) Upon Exercise:
(Final Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Exercise Cash Amount**”); or
- (b) Following an Issuer Automatic Call Event:
(Stop Loss Termination Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Issuer Automatic Call Cash Amount**”); or
- (c) Upon an Issuer Call:
(Termination Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Issuer Call Cash Amount**”); or
- (d) Following a Stop Loss Event:
(Stop Loss Termination Reference Price + Daily Cash Amount) x Entitlement, less Expenses (the “**Stop Loss Cash Amount**”),

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Fee**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, with respect to each Calculation Period, an amount in the Settlement Currency that will be calculated by the Calculation Agent on each Trading Day from the first Trading Day in such Calculation Period in accordance with the following formula:

$$CF(t) = F \times DCF(t-1,t) \times ANP(t-1)$$

Where:

CF(t) = Certificate Fee on Trading Day t;

F = Certificate Fee Level;

DCF(t-1,t) = Day Count Fraction between the immediately preceding Trading Day (t-1) and Trading Day t; and

ANP(t-1) = Absolute Notional Position at the Valuation Time on the immediately preceding Trading Day (t-1);

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

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

$$CV(t) = [RASL(t) + CA(t)] \times CE$$

Where:

CV(t) = Certificate Value on Trading Day t;

RASL(t) = Reference Asset Spread Level on Trading Day t;

CA (t) = Daily Cash Amount on Trading Day t; and

CE = Entitlement;

provided that the Certificate Value shall not be less than zero;

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

“**Commodity**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Daily Cash Amount**” means as of the Pricing Date, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, and thereafter, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, with respect to each Calculation Period, an amount in the Settlement Currency determined by the Calculation Agent on each Trading Day commencing from the first Trading Day in such Calculation Period in accordance with the following formula:

$$CA(t) = CA(t-1) \times (1 + DCF(t-1, t) \times Rate_{t-1}) + RASL(t-1) \times DCF(t-1, t) \times Rate_{t-1} - QMF(t) - MF(t) + D(t)$$

Where:

CA(t) = Daily Cash Amount on Trading Day t;

- CA(t-1) = on the first Trading Day in the relevant Calculation Period the Rebalancing Certificate Value and thereafter the Daily Cash Amount on the immediately preceding Trading Day t-1;
- RASL(t-1) = Reference Asset Spread Level at the Valuation Time on the immediately preceding Trading Day t-1;
- DCF(t-1,t) = Day Count Fraction between Trading Day (t-1) and Trading Day t;
- Rate_{t-1} = Rate on immediately preceding Trading Day t-1;
- QMF(t) = Quanto Maintenance Fee of Trading Day t;
- CF(t) = Certificate Fee on Trading Day t; and D(t) = (i) If Dividends are specified as being Applicable, the Dividend Amount on Trading Day t, and otherwise (ii) zero;

The Daily Cash Amount payable in respect of Exercise, Issuer Automatic Call, Issuer Call or a Stop Loss Event shall be calculated on the Valuation Date, Issuer Automatic Call Date, Issuer Call Date or Stop Loss Termination Date, respectively.

“Day Count Fraction” means the day count fraction specified as such in the definition of the relevant Series in the applicable Final Terms;

“Dividend Amount” means, where Dividends are specified as being Applicable in the definition of the relevant Series in the applicable Final Terms, an amount, as determined by the Calculation Agent, equal to the sum of the product for each Reference Asset of (a) the Applicable Dividends converted into the Settlement Currency at the Exchange Rate, and (b) the Weighting for such Reference Asset. This amount may be negative;

“Dividend Period” means a period from (but excluding) a Reset Date to (and including) the next following Reset Date;

“Dividends” are either Applicable or Not Applicable, as specified in the definition of the relevant Series in the applicable Final Terms;

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

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

- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or

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

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

“**Exchange**” means (i) in respect of an Index, the exchange or quotation system from which the Index Sponsor takes the prices of the shares or other securities that comprise the Index (the “**Index Shares**”) to compute the Index or any successor to such exchange or quotation system, and otherwise (ii) in respect of a Commodity, Fund which is an exchange traded fund or a Share, the exchange or quotation system specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or any successor to such exchange or quotation system. “Exchanges” shall be construed accordingly;

“**Exchange Rate**” means, where the Reference Asset Currency is different to the Settlement Currency, the fixed rate of exchange of 1 unit of the Reference Asset Currency to 1 unit of the Settlement Currency;

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

“**Exercise Date**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to a Stop Loss Event or Issuer Automatic Call Event, the third Business Day preceding a scheduled Valuation Date, as provided in Product Condition 3;

“**Exercise Time**” means 10.00 am (C.E.T.);

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

“Final Reference Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Fund” means each Reference Asset specified as such (including exchange traded funds) in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Administrator” means, in respect of any Fund, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents;

“Fund Adviser” means, in respect of any Fund, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund;

“Fund Documents” means, with respect to any Fund or Fund Reference Asset, the constitutive and governing documents, subscription agreements and other agreements of the related Fund or Fund Reference Asset specifying the terms and conditions relating to such Fund or Fund Reference Asset and which shall include any Hedging Agreement, each as amended from time to time;

“Fund Event” means each event specified as such in Product Condition 4(d) and any Additional Fund Event specified in the definition of the relevant Series in the applicable Final Terms;

“Fund Prospectus” means the disclosure document howsoever described prepared in connection with the marketing of a Fund and, in relation to any Replacement Fund, means the disclosure document howsoever described prepared in connection with the marketing of the Replacement Fund and that, as of the Inclusion Date, was the most recent version thereof, each as amended from time to time;

“Fund Reference Asset” means the relevant interests in each Fund or if the Fund is an exchange traded fund the relevant interests specified as “Fund Reference Assets” in the definition of Spread in the relevant Series in the applicable Final Terms;

“Fund Service Provider” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund

Documents or the Fund Prospectus, including but not limited to any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent;

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

“**Hedging Agreement**” means any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between: (a) the Issuer, any of its affiliates or any Hedge Provider; and (b) the Fund, the Fund Adviser, any other Fund Service Provider or the directors of the Fund;

“**Inclusion Date**” means (i) in respect of any Fund, the Issue Date and (ii) in respect of any Replacement Fund, means the Substitution Date of that Fund;

“**Index**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“**Index Sponsor**” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Initial Quanto Maintenance Fee Level**” means the percentage specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“**Initial Reference Asset Price**” means, unless otherwise specified in the definition of Spread in the relevant Series in the applicable Final Terms, in respect of each Reference Asset, the Reference Asset Price at the Valuation Time on the Pricing Date, subject to adjustment in accordance with Product Condition 4;

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

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

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

“Issuer Automatic Call Date” means the Trading Day on which the Issuer Automatic Call Event occurs;

“Issuer Automatic Call Event” occurs if on any Trading Day from and including the Launch Date either (i) the Certificate Value at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is less than the Minimum Certificate Value, or (ii) the Leverage at the Valuation Time (unless a Market Disruption Event or a Fund Event is occurring at such time) is greater than the Maximum Leverage;

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

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

“Issuer Call Date” means the day specified as such in the notice delivered in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (A) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or
- (ii) a Fund Event has occurred on any such day, in which case the provisions of Product Condition 4(e) shall apply and the Issuer Call Date shall be adjusted accordingly;

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

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

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

$$L(t) = \frac{ANP(t)}{CV(t)}$$

Where:

L(t) = Leverage on Trading Day t;

ANP(t) = Absolute Notional Position on Trading Day t; and

CV(t) = Certificate Value on Trading Day t;

“**Long Reference Asset**” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“**Maximum Leverage**” means the leverage specified as such in the definition of the relevant Series in the applicable Final Terms;

“**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 Relevant Party or its subsidiaries with or into another entity in which the Relevant Party 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;

“**Minimum Certificate Value**” means the amount specified as such in the definition of the relevant Series in the applicable Final Terms;

“**NAV**” means net asset value;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System is open;

“**Portfolio Guidelines**” means the investment guidelines and restrictions specified in respect of a Fund and as set out in the relevant Fund Prospectus and/or the relevant Fund Documents;

“**Pricing Date**” means the date or dates specified as such in the applicable Final Terms, subject to adjustment by the Issuer or the Calculation Agent on its behalf if, in adverse market conditions, in the opinion of the Issuer or the Calculation Agent on its behalf, the circumstances so require;

“**Quanto Maintenance Fee**” means unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, with respect to each Calculation Period, a fee in the Settlement Currency covering the Issuer’s expenses of arranging the Exchange Rate for the Holders and will be calculated on each Trading Day from the first Trading Day in such Calculation Period in accordance with the following formula:

$$QMF(t) = CV(r-1) \times \left(\frac{S_1(t-1)}{S_1(r-1)} \times QMFL_1(t-1) - \frac{S_2(t-1)}{S_2(r-1)} \times QMFL_2(t-1) \right) \times DCF(t-1, t)$$

Where:

QMF(t) = Quanto Maintenance Fee on Trading Day t;

S₁(r-1) = with respect to the Long Reference Asset, the Reference Asset Price on the immediately preceding Rebalancing Day - 1;

S₁(t-1) = with respect to the Long Reference Asset, the Reference Asset Price on the immediately preceding Trading Day t-1 or, if there has been a Market Disruption Event on such day, the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date;

- QMFL₁(t-1) = with respect to the Long Reference Asset, the Quanto Maintenance Fee Level on the immediately preceding Trading Day t-1;
- S₂(r-1) = with respect to the Short Reference Asset, the Reference Asset Price on the immediately preceding Rebalancing Day - 1;
- S₂(t-1) = with respect to the Short Reference Asset, the Reference Asset Price on the immediately preceding Trading Day t-1 or, if there has been a Market Disruption Event on such day, the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date;
- QMFL₂(t-1) = with respect to the Short Reference Asset, the Quanto Maintenance Fee Level on the immediately preceding Trading Day t-1;
- DCF(t-1,t) = Day Count Fraction between the immediately preceding Trading Day t-1 and Trading Day t; and
- CV(r-1) = Rebalancing Certificate Value.

If the Issuer realises a profit when arranging the Exchange Rate, the Quanto Maintenance Fee can be negative;

“Quanto Maintenance Fee Level” means, in respect of each Reference Asset, the Initial Quanto Maintenance Fee Level on the Pricing Date and thereafter the relevant Quanto Maintenance Fee Level per annum as determined by the Calculation Agent having regard to the prevailing market conditions, the correlation between the Reference Asset and the prevailing rate of exchange between the Reference Asset Currency and the Settlement Currency, interest rates of such currencies and such other factors as the Calculation Agent deems relevant in determining the expenses for arranging the Exchange Rate. The Quanto Maintenance Fee Level may be reset on a daily basis and may be negative;

“Rate” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the prevailing rate for deposits in the Settlement Currency with a designated maturity of either 1 month or overnight (designated maturity selected by the Calculation Agent at its sole discretion), as determined by the Calculation Agent for each Day Count Fraction;

“Rebalancing Day” means the dates specified as such in the definition of the relevant Series in the applicable Final Terms, or if such day is not a Trading Day the next succeeding Trading Day;

“Rebalancing Day - 1” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the first Rebalancing Day -1 shall be the Pricing Date

and thereafter the Trading Day immediately preceding the relevant Rebalancing Day unless, in the determination of the Issuer or the Calculation Agent on its behalf either:

- (i) a Market Disruption Event has occurred on that day in which case, the Rebalancing Day -1 shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Rebalancing Day -1. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Rebalancing Day -1 (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Reference Asset Price or any other relevant price or value having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Issuer or the Calculation Agent on its behalf deems relevant; or
- (ii) a Fund Event has occurred on that day, in which case the provisions of Product Condition 4(e) shall apply and the Rebalancing Day -1 shall be adjusted accordingly;

“Rebalancing Certificate Value” means the Certificate Value at the Valuation Time on the immediately preceding Rebalancing Day -1;

“Rebalancing Reference Price” means an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on Rebalancing Day - 1 as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Reference Asset” means each of the Long Reference Asset and Short Reference Asset as specified in the definition of Spread in the relevant Series in the applicable Final Terms (and together the **“Reference Assets”**), subject to adjustment in accordance with Product Condition 4;

“Reference Asset Company” means, in respect of each Share, the company specified as such in the definition of Spread in the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“Reference Asset Currency” means, in respect of each Reference Asset, the currency specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“Reference Asset Price” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, (i) in respect of an Index, the current level of such Index, (ii) in respect of a Share, a Fund which is an exchange traded fund or Commodity, the current price of such Share, Fund Reference Asset or Commodity, as the case may be, quoted on the Exchange, (iii) in respect of a Fund, the NAV of the Fund as quoted by the fund manager and in relation to all of (i), (ii) and (iii) as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if in the determination of the Calculation Agent no such price, level or NAV can be determined and no Market Disruption Event or Fund Event has occurred and is continuing) a price, level or NAV determined by the Calculation Agent as its estimate of the current price, level or NAV of the Reference Asset having regard to the then prevailing market conditions, the last reported trading price or NAV as applicable of (i) in respect of an Index, the Index Shares, (ii) in respect of a Fund which is an exchange traded fund, the Fund Reference Asset on the Exchange and otherwise (iii) the Reference Asset on the Exchange, if applicable, and such other factors as the Calculation Agent determines relevant;

“Reference Asset Spread Level” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount, which may be a negative amount, expressed in the Settlement Currency and determined by the Spread Index Agent on any Trading Day equal to:

$$\text{RASL}(t) = \text{CV}(r-1) \times \left(\frac{S_1(t)}{S_1(r-1)} - \frac{S_2(t)}{S_2(r-1)} \right)$$

Where:

RASL(t) = Reference Asset Spread Level on Trading Day t;

$S_1(r-1)$ = with respect to the Long Reference Asset, the Reference Asset Price on the immediately preceding Rebalancing Day -1;

$S_1(t)$ = with respect to the Long Reference Asset, the Reference Asset Price on Trading Day t or, if there has been a Market Disruption Event on such day, the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date;

$S_2(r-1)$ = with respect to the Short Reference Asset, the Reference Asset Price, on the immediately preceding Rebalancing Day -1;

$S_2(t)$ = with respect to the Short Reference Asset, the Reference Asset Price on Trading Day t or, if there has been a Market Disruption Event on

such day, the price, level or NAV as applicable, determined as if such Trading Day was a Valuation Date; and

CV(r-1) = Rebalancing Certificate Value;

“**Related Exchange**” means in respect of the Reference Assets, an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Reference Asset are traded and “**Related Exchanges**” shall be construed accordingly;

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

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

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

“**Relevant Party**” means each of the Fund and the Fund Adviser;

“**Replacement Fund**” means, in relation to a Fund, the fund selected by the Issuer or the Calculation Agent on its behalf to replace that Fund in accordance with clause 4(e)(B). Such Replacement Fund will have a similar risk profile as the Fund replaced, as determined by the Issuer or the Calculation Agent on its behalf;

“**Reset Date**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Launch Date and thereafter each Business Day, at the determination of the Calculation Agent;

“**Securities**” means the quanto spread open end certificates II relating to the Reference Assets and each a “**Security**”. References to the terms “**Securities**” and “**Security**” shall be construed severally with respect to each Series;

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

“**Settlement Date**” means the fifth Business Day following (i) the Valuation Date, (ii) the last day of the Stop Loss Termination Valuation Period, or (iii) the Issuer Call Date, as the case may be;

“**Share**” means each Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

“**Short Reference Asset**” means the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms;

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

“**Spread Index Agent**” means the agent specified as such in the definition of the relevant Series in the applicable Final Terms, and references to Spread Index Agent shall include any successor spread index agent;

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Stop Loss Event**” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if the Reference Asset Spread Level is at the Valuation Time on any Trading Day from and including the Launch Date, other than a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event or a Fund Event, less than the Stop Loss Price;

“**Stop Loss Price**” means the amount specified as such, or determined in accordance with the formula specified in the definition of the relevant Series in the applicable Final Terms;

“**Stop Loss Termination Date**” means the Trading Day on which the Stop Loss Event occurs;

“Stop Loss Termination Reference Price” means, subject to any adjustment in accordance with Product Condition 4, an amount in the Settlement Currency, as determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Reference Asset Spread Level as determined by the Calculation Agent by reference to the unwinding of the hedging position on a best effort basis during the Stop Loss Termination Valuation Period. The Stop Loss Termination Reference Price will be equal to at least the lowest Reference Asset Spread Level during the Stop Loss Termination Valuation Period;

“Stop Loss Termination Valuation Period” means (a) following an Issuer Automatic Call Event, the Issuer Automatic Call Date or if the Automatic Call Event occurs at the Valuation Time, the following Trading Day, or (b) following a Stop Loss Event, the Stop Loss Termination Date or if the Stop Loss Event occurs at the Valuation Time, the following Trading Day;

“Substitution Date” means, in relation to a Fund, the date selected by the Issuer or the Calculation Agent on its behalf for the replacement of the Fund by a Replacement Fund;

“Termination Reference Price” means an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the Reference Asset Spread Level at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“Trading Day” means (i) in respect of an Index, any day on which the Index Sponsor should calculate and publish the closing level of the index according to its rules, or (ii) in respect of a Share, Fund that is an exchange traded fund or Commodity, any day that is (or, but for the occurrence of a Market Disruption Event or a Fund Event, as applicable, 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, or (iii) in respect of a Fund, any day on which dealing in the Fund can take place;

“Valuation Date” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the last Trading Day of March in each year, commencing at least one year after the Issue Date unless, in the determination of the Issuer or the Calculation Agent on its behalf, either

- (i) a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer or the Calculation Agent on its behalf determines that there is no Market Disruption Event, unless the Issuer or the Calculation Agent on its behalf determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event)

would have been a Valuation Date. In that case (a) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (b) the Issuer or the Calculation Agent on its behalf shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset Spread Level and such other factors as the Issuer or the Calculation Agent on its behalf determines to be relevant; or

- (ii) a Fund Event has occurred on that day in which case the provisions of Product Condition 4(e) shall apply and the Valuation Date shall be adjusted accordingly

“Valuation Time” means, unless otherwise specified in the definition of the relevant Series, (i) in respect of an Index, the time with reference to which the Index Sponsor calculates and publishes the closing level of the Index, or (ii) in respect of a Share or Commodity, the close of trading on the Exchange, or (iii) in respect of a Fund (other than those Funds which are exchange traded funds), the time with reference to which the fund manager publishes the net asset value, or (iv) with respect to Funds which are exchange traded funds the time specified as such in the definition of the relevant series in the applicable Final Terms, or in relation to (i) (ii), (iii) or (iv) such other time as the Issuer or the Calculation Agent on its behalf may select in its absolute discretion and notify to Holders in accordance with General Condition 4; and

“Weighting” means, in respect of each Reference Asset and each Calculation Period, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the weighting of the Reference Asset specified as such in the definition of Spread in the relevant Series in the applicable Final Terms or, if weighting is not specified as such an amount determined by the Calculation Agent at the Valuation Time on the relevant Rebalancing Day in accordance with the following formula:

- (a) in respect of the Long Reference Asset:

$((\text{Rebalancing Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}) / (\text{Rebalancing Reference Price converted into the Settlement Currency at the Exchange Rate});$

and

- (b) in respect of the Short Reference Asset:

$((\text{Rebalancing Reference Price} + \text{Daily Cash Amount}) \times \text{Entitlement}) / (\text{Rebalancing Reference Price converted into the Settlement Currency at the Exchange Rate}),$

subject to adjustment in accordance with Product Condition 4.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “Holder” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.
- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Provided no Stop Loss Event or Issuer Automatic Call Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following a Stop Loss Event, the Securities will terminate automatically in whole but not in part and the Issuer will give notice to the Holders in accordance with General Condition 4. A Stop Loss Event will override an Issuer Call, Issuer Automatic Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date, Issuer Automatic Call Date or Valuation Date, as the case may be.
- (c) Issuer Call. The Issuer may terminate, subject to a valid Exercise, an Issuer Automatic Call or a Stop Loss Event, the Securities, in whole but not in part on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and

including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.

- (d) Issuer Automatic Call. Following an Issuer Automatic Call Event, the Securities will terminate automatically in whole but not in part and the Issuer will give notice to the Holders in accordance with General Condition 4. An Issuer Automatic Call Event will override an Issuer Call, and/or due Exercise if the Issuer Automatic Call Event occurs prior to an Issuer Call Date or Valuation Date as the case may be.
- (e) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event or Issuer Automatic Call Event and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive from the Issuer on the Settlement Date either:
 - (i) The Exercise Cash Amount, following a valid Exercise; or
 - (ii) The Issuer Call Cash Amount, following a valid Issuer Call; or
 - (iii) The Issuer Automatic Call Cash Amount, following Issuer Automatic Call; or
 - (iv) The Stop Loss Cash Amount, following a Stop Loss Event.
- (f) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (g) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (h) The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Reference Assets.

Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

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

- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.

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

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

- (l) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (m) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.
- (n) **Method of Payment.** Subject as provided below, where any amount paid in connection with the Securities is in a currency other than euro, such payments will be made by an

Agent on behalf of the Issuer in the Settlement Currency to an account specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where any amount paid in connection with the Securities is in euro, payment of such amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Payments will be made via the Clearing Agent(s) and will be made in accordance with the Rules (if applicable). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

- (o) Presentation and Surrender. The Issuer shall record payment of any amount in connection with the Securities made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The Holder shall be the only person entitled to receive payments of any amount paid in connection with the Securities and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid.

4. ADJUSTMENTS

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

In respect of a Share, “**Market Disruption Event**” means:

- (i) 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 of impairment in the ability of market participants in general to effect transactions in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise): (A) the Reference Assets on the Exchange or any other exchange on which the Reference Assets are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Reference Assets on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (ii) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, 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.

In respect of an Index, “**Market Disruption Event**” means:

- (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located; or
- (ii) the occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
 - (A) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index (as determined by the Calculation Agent) if, in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or
 - (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

In respect of a Commodity, “**Market Disruption Event**” means:

- (i) Price Source Disruption. The failure by the Exchange to announce or publish the price of the Commodity (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange; or
- (ii) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (iii) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Commodity, on the Exchange; or
- (iv) 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 Commodity; or
- (v) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content or composition of the Commodity; or
- (vi) De Minimis Trading. The number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange; or
- (vii) 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 Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Commodity on the Valuation Date or Issuer Call Date and/or on each of the three Trading Days following the Valuation Date or Issuer Call Date and/or any other relevant date following the occurrence of a Stop Loss Event or Issuer Automatic Call Event from what it would have been without that imposition, change or removal; or
- (viii) Trading Limitation. The material limitation imposed on trading in the Commodity with respect to it or any contract with respect to it on any exchange or principal trading market; or

- (ix) 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
 - (x) 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 Securities.
- (b) Adjustment Events.

In respect of a Share:

Following a declaration by a Reference Asset Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

- (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (ii) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

“Potential Adjustment Event” means any of the following: (i) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (ii) a distribution or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Asset Company equally or proportionately with such payments to holders of such Shares, or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (iii) an extraordinary dividend; (iv) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (v) a call by the

Reference Asset Company in respect of relevant Shares that are not fully paid; (vi) a repurchase by the Reference Asset Company of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (vii) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

“**Merger Event**”, in this Product Condition 4(b) only, means any (i) reclassification or change to the Shares of a Reference Asset Company that results in a transfer of or an irrevocable commitment to transfer all or a majority of outstanding Shares of such Reference Asset Company; (ii) consolidation, amalgamation or merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation or merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Reference Asset Company); or (iii) take-over 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 of a Reference Asset Company that results in a transfer of or an irrevocable commitment to transfer a majority of the voting power of the Shares of a Reference Asset Company to the offeror (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

In respect of an Index:

- (i) If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
- (ii) If (A) on any day the Index Sponsor or, if applicable, the Successor Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or

(B) on any day the Index Sponsor or, if applicable the Successor Sponsor fails to calculate and/or publish the Index then (in either case) the Calculation Agent shall determine the Reference Asset Price using, in lieu of a published level for the Index on such day, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Index Shares are listed) or, in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.

- (iii) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor has not, in the opinion of the Calculation Agent, made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account: (A) a distribution or dividend to existing holders of the Index Shares of: (aa) Index Shares; or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Index Shares equally or proportionately with such payments to holders of Index Shares or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Index Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Index Shares at a time when the relevant issuer has not previously declared or paid dividends on such Index Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Index Shares which is, by its terms or declared intent, declared and

paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date; (G) a distribution of cash dividends on the Index Shares equal to or greater than 8 per cent. per annum of the then current market value of the Index Shares; or (H) any other similar event having a dilutive or concentrative effect on the theoretical value of the Index Shares.

- (iv) The Issuer reserves the right to make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should, in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) De-listing, Merger Event, Nationalisation and Insolvency in respect of a Share. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Reference Asset Company, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
 - (ii) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount

shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to fully account for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or

- (iii) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

“De-listing” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange or any other exchanges on which the Shares are listed (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

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

“**Merger Event**”, in this Product Condition 4(c) only, means any (i) reclassification or change to the Shares of a Reference Asset Company that results in a transfer of or an irrevocable commitment to transfer all or a majority of outstanding Shares of such Reference Asset Company; (ii) consolidation, amalgamation or merger or binding share exchange of a Reference Asset Company with or into another entity (other than a consolidation, amalgamation or merger or binding share exchange in which such Reference Asset Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Reference Asset Company); or (iii) take-over 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 of a Reference Asset Company that results in a transfer of or an irrevocable commitment to transfer a majority of the voting power of the Shares of a Reference Asset Company to the offeror (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date, Issuer Call Date, Issuer Automatic Call Date or Stop Loss Termination Date.

“**Nationalisation**” means that all the Shares of a Reference Asset Company or all the assets or substantially all the assets of a Reference Asset Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Reference Asset Company, (i) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (ii) holders of the Shares of that Reference Asset Company become legally prohibited from transferring them.

(d) Fund Events.

Each of the following events constitutes a “**Fund Event**”. The Fund Events are for the benefit of the Issuer in order that the Issuer is protected against any adverse effects of such Fund Events on its Hedge Position. The Issuer, or the Calculation Agent on its behalf, shall make all determinations in respect of such Fund Events including as to whether such Fund Event has occurred and the effective date of such occurrence. In order to constitute a Fund Event, the Issuer or the Calculation Agent on its behalf

must conclude that the event in question either has resulted or is reasonably likely to result in an adverse effect on the value of the Fund Reference Assets or the NAV of the Fund or on the rights of any investor therein with respect to the Fund Reference Assets or the Fund or otherwise has materially adversely affected its Hedge Position.

(A) Global Events:

- (1) Any of: (a) the investment strategy and/or the investment objective of the Fund has changed so that it is materially different from that applicable at its Inclusion Date or (b) a material change has been made to the underlying nature, strategy or risk of the Fund's portfolio from that which prevailed at its Inclusion Date and that is over and above that expected by the Issuer or the Calculation Agent on its behalf as of the Inclusion Date with respect to the trading strategies employed by the Fund as of that date or (c) the operation or organisation of the Fund or the Fund Adviser (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 Inclusion Date or are other than as represented at such Inclusion Date or (d) any such procedures, processes or policies as are referred to in (c) above are either not being applied or are not being applied consistently with their application on the Inclusion Date or (e) an event or change affecting any of the structure, ownership, management or reputation or liquidity of the Fund or the Fund Reference Assets and/or any other units in the capital of the Fund and/or any Fund Service Provider occurs or (f) any other amendments, changes, modifications or variations are made after the Inclusion Date to any of the Fund Documents, the Fund Prospectus or the Portfolio Guidelines.
- (2) (a) the Fund is not being managed in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date, and no action satisfactory to the Issuer or the Calculation Agent on its behalf has been taken by the Fund or any person on its behalf with a view towards correcting such breach within five calendar days from the date on which the Fund was notified of the breach, or (b) any event occurs which causes, or will with the passage of time (in the opinion of the Issuer or the

Calculation Agent on its behalf) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents.

- (3) The Issuer or the Calculation Agent on its behalf determines that (a) the obligations of any of the Fund or any Fund Service Provider or the directors of the Fund under any Hedging Agreement do not comprise legal, valid and binding obligations of such person, enforceable in accordance with their terms or (b) any of the Fund or any Fund Service Provider was acting outside its powers or authority in executing any Hedging Agreement or in making any agreement or undertaking therein. Each of (a) and (b) shall be conclusively presumed to be the case if the Issuer or the Calculation Agent on its behalf is advised that such is the case by reputable legal counsel having expertise in such matters.
- (4) The activities of the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or become subject to any investigation, proceeding or litigation by any relevant governmental, legal, administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any governmental, legal, administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, approvals, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.
- (5) Written notification is given by the Fund or any Fund Service Provider (or any person acting on behalf thereof) to holders of Fund Reference Assets or to the Fund Administrator of a proposed cessation of operation of the Fund or the Fund or any Fund Service Provider (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation; (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (I) institutes or has instituted against it, by a regulator, supervisor or any similar

official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause 4(d)(A)(5)(c)(I) above and in the case of this clause 4(d)(A)(5)(c)(II) either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial part of its assets; (e) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Issuer or the Calculation Agent on its behalf is comparable to security over any such assets (including without limitation any repurchase agreement or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repurchase agreement, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or capable of early termination by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 4(d)(A)(5)(a) through 4(d)(A)(5)(f) above.

- (6) The Fund or any Fund Service Provider becomes party to any litigation or dispute.
- (7) Any Merger Event occurs or is threatened.
- (8) The Fund or any Fund Service Provider has experienced or is experiencing a material adverse change in its business, assets, operations or financial condition which adversely impacts its ability to provide services to the Fund and/or the quality of such services.
- (9) In respect of any Fund Reference Assets, any fraudulent or negligent entry is made on the register of such Fund Reference Assets maintained by or on behalf of the Fund or there is a reduction in the number of such Fund Reference Assets held for the account of any investor in the Fund for reasons beyond the control of that investor.
- (10) (a) any change occurs in the legal, tax, accounting or regulatory treatment of (i) the Issuer, any of its affiliates or any Hedge Provider by reason of its investment in the Fund or the Fund Reference Assets or (ii) the Fund or any Fund Service Provider, in each case from that which was applicable at the Inclusion Date or (b) the Issuer or the Calculation Agent on its behalf determines that any of Issuer, its affiliates or any Hedge Provider is or may in the future be unable, or it may be unduly onerous or impractical for any such entity, to perform any obligation (including, without limitation, any regulatory or accounting reporting obligation) imposed on any such entity by the law or regulation of any relevant jurisdiction, any relevant regulatory or administrative body or any court of competent jurisdiction, in each case by reason of its investment in the Fund or the Fund Reference Assets or (c) the Issuer, any of its affiliates or any Hedge Provider deems it necessary or appropriate, in order to comply with or remain within (i) any applicable legal and/or regulatory limits on the amounts of Fund Reference Assets that it may hold and/or (ii) any internal exposure limits governing the maximum exposure (direct and indirect) that the Issuer, any relevant affiliate or the Hedge Provider as the case may be, is permitted to have to the Fund, to redeem all or some of the Fund Reference Assets held by them.
- (11) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-

funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).

(12) A significant market, trading or exchange disruption and/or crisis in the major financial markets occurs.

(B) NAV/Price and Reporting:

(1) There is (a) a failure to calculate and/or publish the NAV of the Fund on any day on which such calculation or publication was scheduled to be made in accordance with the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (b) a failure to calculate and publish the NAV of the Fund with the frequency set out in the Fund Documents and/or the Fund Prospectus as they prevailed on the Inclusion Date or (c) where the Fund is an exchange traded fund, a failure to publish the trading price of the Fund Reference Assets on the Exchange.

(2) (a) Any change is made to the methodology used for calculating either the NAV of the Fund or any estimate of the NAV of the Fund from that which prevailed on the Inclusion Date or (b) there is a failure to calculate and deliver any estimate of the NAV of the Fund in accordance with the timing within which such information has previously been provided to the Issuer, the Calculation Agent, any of its affiliates or any Hedge Provider.

(3) (a) The time delay between calculation of the NAV (or any estimated NAV) of the Fund and the publication of such NAV (or estimated NAV) is changed so that it is no longer the same as set out in the Fund Prospectus as it prevailed on the Inclusion Date or (b) any other information relating to the Fund that was specified to be published in accordance with the Fund Documents or the Fund Prospectus as they respectively prevailed on the Inclusion Date is not published in accordance with the timetable therefor set out in such documents.

(4) The audited NAV of the Fund varies by more than 0.50 per cent. from the related NAV previously published by or on behalf of the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, or the Issuer or the Calculation Agent on its behalf considers that the unaudited official NAV of the Fund published by or on behalf of the Fund in respect of

any date does not reflect the NAV of such Fund as it would have been determined by the independent auditors of that Fund using the generally accepted accounting standards adopted by the Fund.

- (5) (i) In respect of any Fund Reference Asset, the occurrence of any event affecting such Fund Reference Asset that, in the determination of the Issuer or the Calculation Agent on its behalf, would make it impossible or impracticable for the Issuer or the Calculation Agent to determine the value of such Fund Reference Asset, and the Issuer or the Calculation Agent on its behalf determines that such event will not be, or has not been, resolved within 15 calendar days from the occurrence of such event; (ii) any failure of the Fund, any Fund Service Provider or any director of the Fund to deliver, or cause to be delivered, (A) information that such person has agreed to deliver, or cause to be delivered, to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider in respect of the Fund (including, without limitation, any information required by the Issuer or the Calculation Agent in the execution of its duties and obligations under the Securities or required by the Issuer or the Calculation Agent in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities) or (B) information that has been previously delivered to the Issuer, the Calculation Agent, any of the Issuer's affiliates or any Hedge Provider, in accordance with such person's, or its authorised representative's, normal practice and that the Issuer or the Calculation Agent deems necessary for it to perform its duties and obligations under the Securities or that the Issuer or the Calculation Agent deems is required by it in order to determine whether any Fund Event has occurred or to make any other determination permitted by it in respect of the Securities (including, in either case, monitoring the Fund's compliance with any Portfolio Guidelines, asset allocation methodologies, the occurrence of any Fund Event or any other similar policies relating to such Fund Reference Assets).

(C) Fund Reference Assets:

Any of the following events relating to the Fund Reference Assets occurs:

- (1) a subdivision, reclassification or distribution of Fund Reference Assets which has a diluting or concentrative or other effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (2) a portion of each Fund Reference Asset is converted (whether by way of redemption and re-issue or otherwise) into new securities participating in the capital of the Fund, which securities are subject to lock-up periods during which they may not be redeemed and which relate to any segregated assets of the Fund, or the Fund creates any other form of “side-pocket” which affects the Fund Reference Assets;
- (3) a (i) dividend (including cash and whether ordinary or extraordinary), (ii) distribution or (iii) issue of Fund Reference Assets, capital, securities, rights or other assets or interests to existing holders of Fund Reference Assets which has or is likely to have an adverse effect on the value (theoretical or otherwise) of the Fund Reference Assets;
- (4) any suspension or limitation on the trading of the relevant currencies in which the Fund Reference Assets are denominated or any amendment to the currency of denomination of the Fund Reference Assets so that their price is no longer calculated in the same currency as at the Inclusion Date of the Fund; or

(D) Trading and Fees:

- (1) In respect of the Fund Reference Assets, the Fund or any Fund Service Provider increases the level of any redemption fee, subscription fee, management fee, performance fee or a bid/offer spread (or other charge however described) above the level that would have been applicable to any Fund Reference Assets held by any of the Issuer, any affiliate of the Issuer or any Hedge Provider on the Inclusion Date (regardless of whether any such person actually holds any Fund Reference Assets as of such date).
- (2) Any suspension of or limitation imposed on trading of the Fund or on trading in the Fund Reference Assets (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund or the Fund Reference Assets is deferred in whole or in part or is made at a value other than the related NAV or price, as applicable.

(3) The frequency at which Fund Reference Assets can be traded is amended or the timing for subscription or redemption of Fund Reference Assets is amended, in each case so that it is no longer that specified in the Fund Documents and/or Fund Prospectus as they prevailed on the Inclusion Date, including, without limitation, an amendment to the timetable for payment of redemption proceeds upon redemption.

(4) If any of the Issuer, any of its affiliates or any Hedge Provider redeems Fund Reference Assets or is entitled to any other amount and:

(I) does not receive the full proceeds of such redemption or amount in cash in accordance with the timing set out in the Fund Documents or the Fund Prospectus; or

(II) receives any in-kind distribution in full or part satisfaction of the redemption proceeds or such other amount paid or payable to it,

or the Issuer or the Calculation Agent on its behalf determines that either (I) or (II) above would be applicable were the Issuer, any of its affiliates or any Hedge Provider to redeem Fund Reference Assets or be entitled to actual payment of any such other amount.

(E) Fund Adviser and Fund Service Provider Failures:

(1) The Fund Adviser indicates or acknowledges that in its opinion the strategy/investment objective of the Fund will not be, or is no longer able to be, met.

(2) Any representations, covenants or agreements of the Fund Adviser under the investment management agreement or investment advisory agreement (howsoever described) relating to the Fund have been breached and not cured.

(3) Any of: (a) the resignation, termination of appointment or replacement of the Fund Adviser from its role as such occurs or the resignation, termination of appointment or replacement of any other Fund Service Provider from its role as such occurs with respect to the Fund or (b) any change in the personnel of any Fund Service Provider occurs which the Issuer or the Calculation Agent on its behalf

considers materially adversely affects the ability of such Fund Service Provider to carry out its duties with respect to the Fund.

(4) The Issuer or the Calculation Agent on its behalf becomes aware of any failure by the Fund or any person on its behalf to disclose to the Issuer or the Calculation Agent on its behalf, on or before the Inclusion Date, any information, event or circumstance that was in existence on such date and that would have been necessary to enable the Issuer or the Calculation Agent to make an informed assessment of the assets and liabilities, financial position and prospects of the Fund and of the rights attaching to the Fund Reference Assets.

(F) General: Any other event occurs which the Issuer or the Calculation Agent on its behalf determines is analogous to any of the events specified in subparagraphs (A) to (E) above.

(e) Consequences of a Fund Event.

In respect of each Fund Event, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Issuer or the Calculation Agent on its behalf may take any of following actions (each, a **“Permitted Action”**):

(A) (1) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines appropriate to account for the economic effect on the Securities of such Fund Event and (2) determine the effective date of the relevant adjustments; or

(B) select a Replacement Fund and a Substitution Date. Following any such selection (1) the Replacement Fund shall replace the affected Fund on the Substitution Date, (2) references herein to the name of the affected Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (3) the Issuer or the Calculation Agent on its behalf may make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions in relation to the Securities to reflect such substitution; or

(C) accelerate all, but not some only, of the Securities, on the date notified to Holders in accordance with General Condition 4; or

(D) make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as the Issuer or the Calculation Agent on its behalf determines are necessary to reflect a notional liquidation of all of the Fund Reference Assets (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Fund Reference Assets at the relevant time) and a notional investment of the liquidation proceeds in either (1) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Security equal to the Issue Price of the Security or, where this is not possible or practicable (as determined by the Issuer or the Calculation Agent on its behalf) or (2) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Issuer in respect of such a deposit as determined by the Issuer or the Calculation Agent on its behalf or, if it is not possible or practicable to comply with subclauses (1) or (2) of this clause 4(e)(D) (as determined by the Issuer or the Calculation Agent on its behalf), (3) 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 notionally charged to the Securities) (any of (1), (2) or (3), a "**Suspension Asset**").

Notwithstanding that the Issuer or the Calculation Agent on its behalf may have previously determined not to take a Permitted Action, or to take one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Fund Event (whether on one or any number of occasions). In such respect, the Issuer or the Calculation Agent on its behalf may make such adjustments to any variable, calculation methodology, valuation, settlement or payment terms or any other terms and conditions of the Securities as it determines appropriate to account for the decision subsequently or concurrently made.

Notwithstanding anything in this sub-paragraph 4(e), neither the Issuer nor the Calculation Agent is under any obligation to determine that a Fund Event has occurred or to take any or all of the Permitted Actions. Any determinations made by the Issuer or the Calculation Agent on its behalf in respect of any of the Permitted Actions shall, in the absence of manifest error, be binding.

- (f) Fund Event Methodology and Determinations:
- (A) If, in respect of any determination or calculation hereunder which is made by reference to an official or estimated NAV of a Fund provided or published by or on behalf of the Fund or, where the Fund is an exchange traded fund, the last reported trading price of the Fund Reference Asset on the Exchange in respect of a particular date, the Issuer or the Calculation Agent on its behalf determines that such value does not fairly represent the value of the Fund or Fund Reference Asset as of such date, or that no such value is provided or published, then the Issuer or the Calculation Agent on its behalf may use such other value as it determines as representing a fair NAV or price, as applicable, as of such date or, alternatively, may use a preceding official or estimated value where it believes that such preceding official or estimated value gives a fairer representation than the more recent figure.
 - (B) Should the Fund operate equalisation procedures in respect of performance or incentive based fees, the Issuer or the Calculation Agent on its behalf may make such adjustments to these Product Conditions as the Issuer or the Calculation Agent on its behalf determines appropriate to account for such equalisation in an equitable manner and, where such equalisation procedures operate by the issuance of different classes of shares in the Fund, then each of the Issuer and the Calculation Agent is permitted to deem any notional subscription or redemption on behalf of the Securities to be in such order and in respect of such classes as appear to it to be equitable and reasonable or to deem the return of such shares to be based on a benchmark or average of the different classes.
 - (C) For the avoidance of doubt and notwithstanding any other Condition, the Issuer and the Calculation Agent on its behalf shall be entitled to make any determination, waiver, declaration or decision with regard to a Fund Event and, without limitation, may make such determination, waiver, declaration or decision by reference to the establishment, operation and/or efficacy (whether actual or anticipated) of any Relevant Hedging Transaction. Neither the Issuer nor the Calculation Agent is under any obligation to monitor or determine whether or not a Fund Event has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Fund Event. In making or omitting to make any such determination, waiver, declaration or decision, neither the Issuer nor the Calculation Agent shall be under any fiduciary duty

towards the Holders and, for the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Holders in connection with the Securities as a result thereof, howsoever arising.

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

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS OPEN END
CERTIFICATES II

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “Agents” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$\text{Final Reference Price} \times \text{Rollover Ratio} \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate if an Exchange Rate is specified and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearing Agent**” means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (NECIGEF), Euroclear Bank S.A. and Clearstream Banking S.A. and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

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

“**Exchange**” means the exchange or quotation system specified as such in the definition of the relevant Series or any successor to such exchange or quotation system;

“**Exchange Rate**” means, the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

“**Exercise Date**” means the third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3;

“**Exercise Time**” means 10.00 am Central European Time;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

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

“**Issue Date**” means the date specified as such in the definition of the relevant Series;

“**Issuer**” means The Royal Bank of Scotland N.V. incorporated in The Netherlands with its statutory seat in Amsterdam acting through its principal office or its branch in London or such further or other branches as it may specify from time to time;

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

“**Issuer Call Commencement Date**” means the first Business Day following the period from and including the Issue Date;

“**Issuer Call Date**” means the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has

occurred on that day in which case, the Issuer Call Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the fifth Trading Day shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent deems relevant;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) System is open;

“**Reference Asset**” means the Reference Asset as of the Issue Date specified as such in the definition of the relevant Series, and thereafter the Issuer shall, during Trading Hours on the Rollover Date, effect substitution of a financially equivalent reference asset with a 3 month or 1 month expiry (the “**Substitute Asset**”) selected by the Issuer. Thereafter the Substitute Asset shall for all purposes be the Reference Asset;

“**Reference Asset Price**” means the current price of the Reference Asset. 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 applicable Bloomberg page referred to in the definition of the relevant Series, and if no such page reference exists, such other page reference as the Calculation Agent determines;

“**Rollover Date**” means a date, being a Trading Day, as selected by the Issuer within the last ten Trading Days prior to the last Trading Day of the Reference Asset;

“**Rollover Period**” means each period from and including a Rollover Date to but excluding the next following Rollover Date;

“**Rollover Ratio**” means, for each Rollover Period, a ratio as determined by the Calculation Agent in accordance with the following formula:

$$[(A - B) / (C + D)] \times E$$

where A is: Reference Asset Price;

where B is: Transaction Charge x Reference Asset Price;

where C is: Substitute Asset Price;

where D is: Transaction Charge x Substitute Asset Price;

where E is: The immediately preceding Rollover Ratio;

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

“**Securities**” means the open end certificates relating to the Reference Asset and each a “Security”. References to the term “**Securities**” and “**Security**” shall be construed severally with respect to each Series;

“**Series**” means each series of Securities specified as such in the definition of the relevant Final Terms;

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

“**Settlement Date**” means the fifth Business Day following the relevant Valuation Date or the Issuer Call Date, as the case may be;

“**Substitute Asset Price**” means the Reference Asset Price of the reference asset future which will be the Substitute Asset at the next following Rollover Date;

“**Trading Day**” means any day that is (or but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange 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;

“**Transaction Charge**” means a percentage rate as determined by the Calculation Agent. The Calculation Agent may adjust the Transaction Charge on each Rollover Date, but in any event the Transaction Charge will not exceed 0.10%. The Transaction Charge on the Issue Date is 0.05%;

“**Underlying Currency**” means the currency specified as such in the definition of the relevant Series;

“**Valuation Date**” means the last Trading Day of March in each year, commencing from (and including) March 2007, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last

reported trading price of the Reference Asset and such other factors as the Calculation Agent determines to be relevant; and

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

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

2. FORM

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

3. RIGHTS AND PROCEDURES

- (a) **Exercise.** The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) **Issuer Call.** The Issuer may terminate, subject to a valid Exercise, the Securities, in whole but not in part on any Business Day, by giving Holders at least one calendar years notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.

- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (1) specify the number of Securities to which it relates;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;

- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States ; and
- (6) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (g) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (h) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (i) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of

gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (j) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (k) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (a) **Price Source Disruption.** The failure by the Exchange to announce or publish the price for 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; or
- (b) **Trading Suspension.** The material suspension of trading on the Exchange or any Related Exchange; or
- (c) **Disappearance of Price.** The failure of trading to commence, or the permanent discontinuation of trading of the Reference Asset on the Exchange; or
- (d) **Material Change in Formula.** The occurrence, since the Issue 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; or
- (e) **Material Change in Content.** The occurrence, since the Issue Date, of a material change in the content, composition of the Reference Asset; or

- (f) 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; or
- (g) 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 Issue 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; or
- (h) Trading Limitation. The material limitation imposed on trading in the Reference Asset with respect to it or any contract with respect thereto on any exchange or principal trading market; or
- (i) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

CONDITIONS: PRODUCT CONDITIONS
RELATING TO COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS OPEN END
QUANTO CERTIFICATES II

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “Agents” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

(a) on the Launch Date, 0; and

(b) thereafter:

$$CA_{t-1} * (1 + DCF_{t-1,t} * Rate_{t-1}) + QMF_t + MF_t$$

where

CA_t = Cash Amount on previous Trading Day t

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days

$Rate_{t-1}$ = Rate on previous Trading Day

$FQMF_t$ = Futures Quanto Maintenance Fee on Trading Day t

CF_t = Certificate Fee on Trading Day t

The Cash Amount can be negative.

“**Certificate Fee**” means an amount that will accrue on a daily basis in accordance with the following formula:

$$Fee * RR_{t-1} * CLU_{t-1} * DCF_{t-1,t}$$

Fee = 1%

RR_{t-1} = Rollover Ratio on previous Trading Day

CLU_{t-1} = The Price of the Reference Asset on the previous Trading Day

$DCF_{t-1,t}$ = Day Count Fraction between t and (t-1) Trading Day

“**Certificate Value**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$[CLU_t * RR_t - CA_t] * CE$$

where

CLU_t = The Price of the Reference Asset on Trading Day t

CA_t = Cash Amount on Trading Day t

RR_t = Rollover Ratio on Trading Day t

CE = Certificate Entitlement

“**Clearing Agent**” means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (NECIGEF), Euroclear Bank S.A., and Clearstream Banking S.A. and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);

“**Day Count Fraction**” means the number of calendar days between (and excluding) the immediately preceding Trading Day to (and including) the relevant Trading Day, divided by 360;

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

“**Exchange**” means the exchange or quotation system specified as such in the definition of the relevant Series or any successor to such exchange or quotation system;

“**Exchange Rate**” means the fixed rate of exchange between the Underlying Currency and the Settlement Currency, being 1 unit of the Underlying Currency for 1 unit of the Settlement Currency;

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

“**Exercise Date**” means the third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3;

“**Exercise Time**” means 5.00pm Central European Time;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Futures Quanto Maintenance Fee**” means such fee deemed relevant by the Calculation Agent in determining the costs associated with hedging the Issuer’s obligations in respect of the Certificates. The Futures Quanto Maintenance Fee which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate and will accrue on a daily basis and be calculated by the Calculation Agent on each Trading Day in accordance with the following formula:

$$FQMFL_{t-1} * RR_{t-1} * CLU_{t-1} * DCF_{t-1,t}$$

where

$FQMFL_{t-1}$ = Futures Quanto Maintenance Fee Level on previous Trading Day

RR_{t-1} = Rollover Ratio on previous Trading Day

CLU_{t-1} = The Price of the Reference Asset on the previous Trading Day

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days;

In case the Issuer realises a profit when arranging the Exchange Rate, the Futures Quanto Maintenance Fee Level can be negative.

“**Futures Quanto Maintenance Fee Level**” means with respect to the Launch Date, the Initial Futures Quanto Maintenance Fee Level and thereafter, the relevant Futures Quanto Maintenance Fee Level as determined by the Calculation Agent. The Calculation Agent may, on a daily basis, reset the Futures Quanto Maintenance Fee Level in its sole discretion having regard to prevailing market conditions and such other factors as the Calculation Agent deems relevant in determining the costs associated with hedging its obligations in respect of the Certificates. The Futures Quanto Maintenance Fee Level may include a rebate based on the Underlying Rate_{t-1}. The Futures Quanto Maintenance Fee Level may be reset on a daily basis and can be negative;

“**Initial Futures Quanto Maintenance Fee Level**” means the percentage specified as such in the definition of the relevant Series on a per annum basis;

“**Issue Date**” means the date specified as such in the definition of the relevant Series;

“**Issuer**” means The Royal Bank of Scotland N.V. incorporated in The Netherlands with its statutory seat in Amsterdam acting through its principal office or its branch in London or such further or other branches as it may specify from time to time;

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

“**Issuer Call Commencement Date**” means the first Business Day following the one year period from and including the Issue Date;

“**Issuer Call Amount**” means an amount equal to the Certificate Value at the Valuation Time on the Issuer Call Commencement Date.

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

“**Launch Date**” means the date specified as such in the definition of the relevant Series;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) System is open;

“**Rate**” means the prevailing rate for EUR deposits with a designated maturity of either 1 month or overnight (designated maturity selected by the Calculation Agent at its sole discretion), as determined by the Calculation Agent for each Day Count Fraction.

“**Reference Asset**” means the Reference Asset as of the Launch Date specified as such in the definition of the relevant Series, and thereafter the Issuer shall, during Trading Hours on the Rollover Date, effect substitution of a financially equivalent reference asset (the “**Substitute Asset**”) selected by the Issuer. Thereafter the Substitute Asset shall for all purposes be the Reference Asset;

“**Reference Asset Price**” means the current price of the Reference Asset. 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 applicable Bloomberg page referred to in the definition of the relevant Series, and if no such page reference exists, such other page reference as the Calculation Agent determines;

“Rollover Date” means a date, being a Trading Day, as selected by the Issuer within the period of ten Trading Days preceding when the first date upon which notice to deliver the Reference Asset may be given in accordance with the relevant terms and conditions of that Reference Asset;

“Rollover Time” means in the course of the usual Trading Hours on the Exchange on the Rollover Date (currently 11.02 a.m. to 8.30 p.m. Amsterdam Time);

“Rollover Ratio” means, for each Rollover Period, a ratio as determined by the Calculation Agent at the Rollover Time in accordance with the following formula:

$$RR_t = \frac{RF_{t-1} - TC_t}{RF_t + TC_t} * RR_{t-1}$$

where

RR_t = Rollover Ratio on Trading Day t

RF_{t-1} = Reference Asset prior to the Rollover Time on the Rolling Date

RF_t = Reference Asset after the Rollover Time on the Rolling Date (next 3 monthly or monthly future)

TC = Transaction Charge

$$RR_0 = 1$$

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

“Substitute Asset Price” means the Reference Asset Price of the reference asset future which will be the Substitute Asset at the next following Rollover Date;

“Securities” means the open end certificates relating to the Reference Asset and each a **“Security”**. References to the term **“Securities”** and **“Security”** shall be construed severally with respect to each Series;

“Series” means each series of Securities specified as such in the definition of the relevant Final Terms;

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

“Settlement Date” means the fifth Business Day following the relevant Valuation Date or the Issuer Call Date, as the case may be;

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

“**Transaction Charge**” means a percentage rate as determined by the Calculation Agent. The Calculation Agent may adjust the Transaction Charge on each Rollover Date, but in any event the Transaction Charge will not exceed 0.10%. The Transaction Charge on the Launch Date is 0.05%;

“**Underlying Currency**” means the currency specified as such in the definition of the relevant Series;

“**Underlying Rate**” means the prevailing rate for deposits in the Underlying Currency with a designated maturity of either one month or overnight (designated maturity selected by the Calculation Agent at its sole discretion), as determined by the Calculation Agent for each Day Count Fraction;

“**Valuation Date**” means the last Trading Day of March in each year, commencing at least one calendar year after the Issue Date, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent determines to be relevant; and

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

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

2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit

quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

3. RIGHTS AND PROCEDURES

- (a) **Exercise.** The Securities are exercisable by delivery of a Notice prior to the Exercise Time on the Exercise Date.
- (b) **Issuer Call.** The Issuer may terminate, subject to a valid Exercise, the Securities, in whole but not in part on any Business Day, by giving Holders at least three months notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) **Cash Settlement.** Each Security upon due Exercise or termination pursuant to an Issuer Call, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Certificate Value.
- (d) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (e) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Certificate Value.
- (f) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “Notice”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

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

- (2) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Certificate Value (if any) for such Securities;
- (5) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (6) authorise the production of such Notice in any applicable administrative or legal proceedings.

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

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (l) **Delivery of a Notice.** Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (m) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any

circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred. A “**Market Disruption Event**” means:

- (j) Price Source Disruption. The failure by the Exchange to announce or publish the price for 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; or
- (k) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange; or
- (l) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Reference Asset on the Exchange; or
- (m) Material Change in Formula. 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; or
- (n) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content, composition of the Reference Asset; or
- (o) 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; or
- (p) 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; or

- (q) Trading Limitation. The material limitation imposed on trading in the Reference Asset with respect to it or any contract with respect thereto on any exchange or principal trading market; or
- (r) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

CONDITIONS: PRODUCT CONDITIONS
RELATING TO ROLLING COVERED CALL OPEN END CERTIFICATES

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Affected Index**” means an Index that is affected by a Market Disruption Event;

“**Basket**” means the basket specified as such in the definition of the relevant Series in the applicable Final Terms;

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

“**Call Options Exchange**” means, in relation to each Index, the options exchange with the highest turnover in Index options which as of the Issue Date is specified as such in the definition of the Basket;

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

$$\text{Final Reference Price} \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. If applicable, the Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate if an Exchange Rate is specified and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Certificate Value**” means the value of the certificate as detailed in the definition of the relevant Series in the applicable Final Terms;

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

“Coupon” means in respect of each Security, if “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the amount specified as such or to be calculated in accordance with the provisions set out in the definition of the relevant Series in the applicable Final Terms, to be paid on the Coupon Payment Dates, subject to adjustment in accordance with Product Condition 4. The Coupon will be deducted from the Certificate Value on the Coupon Observation Date immediately following the Coupon Observation Time without undue delay;

“Coupon Observation Dates” means, if “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the date or dates specified as such in the applicable Final Terms;

“Coupon Observation Time” means, if “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the time or times specified as such in the applicable Final Terms;

“Coupon Payment Dates” means, if “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the date or dates specified as such in the applicable Final Terms;

“Current Rolling Option” means the option specified as such in the definition of the relevant Series in the applicable Final Terms;

“Dividend Period” means in relation to each Index, the period from (but excluding) a Trading Day to (and including) the next Rolling Date;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event

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

- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or
- (vi) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities; or
- (vii) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency; or
- (viii) Imposition of Tax/Levy. The imposition of any tax and/or levy with punitive character which is imposed in the country of the principal financial centre of the Relevant Currency; or

- (ix) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; or
- (x) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities;

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

“Ex Coupon Date” means, if “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the date specified as such in the applicable Final Terms;

“Exchange” means:

- (a) in respect of each Index, the exchange or quotation system from which the Index Sponsor takes the prices of the shares that comprise the Index (the “Shares”) to compute the Index or any successor to such exchange or quotation system; and
- (b) in respect of the Strategy, the exchange or quotation system from which the Calculation Agent takes the prices or level of the Strategy Components that comprise the Strategy to compute the Strategy or any successor to such exchange or quotation system;

“Exchange Rate” means, if applicable, the rate of exchange between the Underlying Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

“Expected Dividends” means with respect to each Index an amount equal to the net present value of regular dividends (whether stock or cash) excluding extraordinary dividends and capital adjustments (as determined by the relevant Index Sponsor). The amount will be

determined by the Calculation Agent in its sole discretion in respect of the Strategy or shares in each Index, net of applicable withholding taxes and without reference to tax credits. The dividends included will be those whose ex-dividend date falls in a Dividend Period;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

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

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

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“**Index Currency**” means, in relation to each Index in the applicable Final Terms, the currency specified as such in the definition of the Basket;

“**Index Exchange Rate**” means, in relation to each Index and where applicable, the rate of exchange between the relevant Index Currency and the Settlement Currency taken from Reuters page WX= or as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

“Index Sponsor” means, in relation to each Index, the sponsor specified as such in the definition of the Basket in the applicable Final Terms and shall include any successor index sponsor pursuant to Product Condition 4;

“Interim Settlement Amount” means in respect of each Security, if “Interim Settlement” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the amount specified as such in the definition of the relevant Series in the applicable Final Terms, to be paid on the Interim Settlement Amount Payment Dates, subject to adjustment in accordance with Product Condition 4. The Interim Settlement Amount will be deducted from the Certificate Value on the Interim Settlement Observation Date immediately following the Valuation Time without undue delay;

“Interim Settlement Amount Payment Dates” means, if “Interim Settlement” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the dates specified as such in the definition of the relevant Series in the applicable Final Terms;

“Interim Settlement Observation Dates” means, if “Interim Settlement” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the dates specified as such in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

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

“Issuer” means The Royal Bank of Scotland N.V. incorporated in The Netherlands with its statutory seat in Amsterdam acting through its principal office or its branch in London or such further or other branches as it may specify from time to time;

“Issuer Call” means, if “Issuer Call” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, termination of the Securities by the Issuer in accordance with Product Condition 3;

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

“Issuer Call Date” means, if “Issuer Call” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the day specified as such in the notice delivered by the Issuer in accordance with Product Condition 3, and if such day is not a Trading Day, means the first succeeding Trading Day unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day with respect to an Affected Index in which case, the Issuer Call Date with respect to such Affected Index shall be the first succeeding Trading Day on which the Calculation Agent determines that there is

no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Issuer Call Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Issuer Call Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent deems relevant;

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

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System is open;

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

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

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

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

“Re-weighting” means with respect to each Index, if “Re-weighting” is specified as being “Applicable” in the applicable Final Terms, the percentage specified as such in the definition of the relevant Series in the applicable Final Terms;

“Rolling Date” means the date specified as such in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“Rolling Time” means the time specified as such in the definition of the relevant Series as more particularly described in the applicable Final Terms;

“Securities” means each Series of rolling covered call open end certificates specified in the applicable Final Terms relating to the Strategy and each a **“Security”**. References to the term **“Securities”** and **“Security”** shall be construed severally with respect to each Series;

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

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

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

“Standard Currency” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“Strategy” means the strategy calculated by the Calculation Agent and as specified as such in the definition of the relevant Series in the applicable Final Terms, subject to Product Condition 4;

“**Strategy Components**” means the components that make up the Strategy specified as such and described in the definition of the relevant Series in the applicable Final Terms;

“**Strategy Value**” means the value of the Strategy as detailed in the definition of the relevant Series in the applicable Final Terms;

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

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

“**Valuation Date**” means the date or dates specified as such in the definition of the relevant Series in the applicable Final Terms, or if such day is not a Trading Day, the next succeeding Trading Day, unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day with respect to an Affected Index in which case, the Valuation Date with respect to such Affected Index shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the Relevant Number of Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the last day of the Relevant Number of Trading Days shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant;

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

“**Weight**” means for each Index, the percentage specified as such in the definition of the Basket or Re-weighting, if applicable in the applicable Final Terms and subject to adjustment in accordance with Product Condition 4.

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are

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

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as

Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES

- (a) Exercise. Notwithstanding notice of an Issuer Call if “Issuer Call” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Issuer Call. If “Issuer Call” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, the Issuer may terminate, subject to a valid Exercise, the Securities, in whole but not in part on any Business Day, by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (c) Interim Settlement. If “Interim Settlement” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, each Security shall pay an amount equal to the Interim Settlement Amount on each Interim Settlement Amount Payment Date. This is subject to the Certificate Value at the Valuation Time on each Interim Settlement Amount Observation Date being greater than the Interim Settlement Amount.

- (d) **Coupon.** If “Coupon” is specified as being “Applicable” in the definition of the relevant Series in the applicable Final Terms, each Security shall pay an amount equal to the Coupon on each Coupon Payment Date.
- (e) **Cash Settlement.** Each Security upon due Exercise, termination pursuant to an Issuer Call, if applicable, and subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive, from the Issuer on the Settlement Date the Cash Amount, following a valid Exercise or, if applicable, a valid Issuer Call.
- (f) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (g) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount, Interim Settlement Amount, if applicable, or Coupon, if applicable.
- (h) **Notice.** All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;

- (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
- (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (i) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (j) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (k) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (l) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (m) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

This Product Condition 4 relates to each Index.

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

“Market Disruption Event” means

- (i) In respect of the Index, 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 in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):

- (A) on any Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or
- (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index.

In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (ii) In respect of the Strategy:
 - (A) Price Source Disruption. The failure by the Index Sponsor to announce or publish the price for the relevant Strategy Component (or the information necessary for determining such price), or the temporary or permanent discontinuance or unavailability of such price by the Index Sponsor; or
 - (B) Trading Suspension. The material suspension of trading on any Exchange or any Related Exchange; or
 - (C) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of each relevant Strategy Component on the relevant Exchange; or
 - (D) Material Change in Formula. The occurrence, since the Issue 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 each Strategy Component; or

- (E) Material Change in Content. The occurrence, since the Issue Date, of a material change in the content, composition of each Strategy Component; or
 - (F) De Minimis Trading. The number of contracts traded on the relevant Exchange with respect to each Strategy Component is such that the Issuer declares that its ability to enter into hedging transactions with respect to the relevant Strategy Component has been impaired due to a lack of, or, a material reduction in, trading in the relevant Strategy Component on the relevant Exchange; or
 - (G) 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 relevant Strategy Component (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the relevant Strategy Component 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; or
 - (H) Trading Limitation. The material limitation imposed on trading in the relevant Strategy Component with respect to it or any contract with respect thereto on any exchange or principal trading market; or
 - (I) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.
- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (i), (ii), (iii) or (iv) below.
- (i) If the Index is: (A) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index used in the determination of the Calculation Agent, the same

or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (ii) If: (A) on or prior to the Valuation Date or, if applicable, the Issuer Call Date as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date or, if applicable, the Issuer Call Date as the case may be, the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and/or publish the Index; then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level(s) for the Index on the Valuation Date or, if applicable, the Issuer Call Date, as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.
- (iii) If, at any time, any of the events specified in (A) to (I) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor, has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor, pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account. (A) (i) a distribution or dividend to existing holders of the Shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders

of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (C) a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue; (D) an extraordinary dividend; (E) any cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any non-cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (G) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date or the Issuer Call Date, if applicable; (H) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (I) any other similar event having dilutive or concentrative effect on the theoretical value of the Shares.

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

(i), (ii) and (iv) above shall apply in the same context to the Strategy.

- (c) The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of

any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

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

CONDITIONS: PRODUCT CONDITIONS
RELATING TO ROLLING MINI SHORT OPEN END CERTIFICATES ON AN INDEX

The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the Final Terms. The Final Terms, the Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on any Definitive Securities or attached to any Global Security representing the Securities. The Final Terms applicable to each Series may specify amendments to the General Conditions and/or the relevant Product Conditions as they apply to that Series.

1. DEFINITIONS

“**Agent**” means each of the Principal Agent and Agent(s), each as specified in the applicable Final Terms, each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

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

“**Calculation Period**” means the number of calendar days from (but excluding) a Reset Date to (and including) the next following Reset Date;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the formula specified as such in the definition of the relevant Series in the applicable Final Terms, less Expenses, provided that the Cash Amount shall not be less than zero. The Cash Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate if an Exchange Rate is specified and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

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

“**Current Financing Level**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, subject to adjustment in accordance with Product Condition 4, in relation to a Re-Financing Event or a Stop Loss Event, as the case

may be, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

$$[1 + (1 / \text{Target Leverage Factor})] \times \text{Re-Financing Reference Price}$$

The Funding Cost will be added to the Current Financing Level prior to the opening of trading on the Exchange on each Trading Day.

On the Issue Date the Current Financing Level shall be the Initial Current Financing Level;

“**Current Leverage Factor**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in respect of any Trading Day, a number determined by the Calculation Agent at the Valuation Time in accordance with the following formula:

$$\text{Reference Price} / (\text{Current Financing Level} - \text{Reference Price})$$

On the Issue Date the Current Leverage Factor shall be the Target Leverage Factor;

“**Current Participation Factor**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, in relation to a Re-Financing Event or Stop Loss Event, as the case may be, and subject to adjustment in accordance with Product Condition 4, a number calculated in accordance with the following formula:

$$\text{Target Leverage Factor} \times \text{Security Value} / \text{Re-Financing Reference Price}$$

For the avoidance of any doubt, where the Current Participation Factor is being adjusted following an Interim Settlement Event, the Security Value in the above mentioned formula shall be the Security Value following the deduction of the Interim Settlement Amount.

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

“**Current Spread**” means a per annum percentage rate as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Calculation Agent may adjust the Current Spread on each Reset Date, but in any event, the Current Spread will not exceed the “**Maximum Spread**” (as specified in the definition of the relevant Series in the applicable Final Terms) per annum. The Current Spread on the Issue Date is the spread specified as such in the definition of the relevant Series in the applicable Final Terms;

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

- (i) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency; or
- (ii) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market; or
- (iii) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security indebtedness for money borrowed or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for money borrowed or guarantee; or
- (iv) Inconvertibility/non-transferability. The occurrence of any event which (A) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (B) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction; or
- (v) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency; or

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

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

“**Exchange Rate**” means, where the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

“**Execution Level**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency), as determined by the Calculation Agent in its sole and absolute discretion during the Execution Valuation Period, equal to the fair value level of the Index, based on the levels of the Index during the Execution Valuation Period;

“**Execution Valuation Period**” means a reasonable period immediately following the Re-Financing Event, Stop Loss Event or Knock Out Event, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by liquidity in the underlying market and shall not be greater than, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, 3 hours (the “**Maximum Execution Valuation Period**”) (but excluding for this purpose any period during which a Market Disruption Event is continuing). Following a Re-Financing Event or if a Stop Loss

Event or Knock Out Event, as the case may be, occurs less than the Maximum Execution Valuation Period prior to the official close of trading on the Exchange or the Related Exchange (excluding for this purpose any period during which a Market Disruption Event is continuing), such period shall continue to such number of sequential next following Trading Days as shall be necessary for the total number of such hours to be not more than the Maximum Execution Valuation Period as determined by the Calculation Agent in its sole and absolute discretion;

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

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

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

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

“**Final Reference Price**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, an amount equal to the Reference Price on the Valuation Date;

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

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

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

- (a) Prevailing Rate minus Current Spread; multiplied by
- (b) the Current Financing Level on the previous Reset Date; multiplied by
- (c) the number of calendar days elapsed in the Calculation Period divided by 360;

“**Governmental Authority**” is any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including

the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate;

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

“**Index Sponsor**” means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

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

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

“**Interim Settlement Amount**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, upon the occurrence of an Interim Settlement Event, an amount equal to:

Security Value - Issue Price rounded down to the next full unit of the Settlement Currency

The Interim Settlement Amount shall be rounded down to the nearest integral multiple of the Interim Settlement Factor;

“**Interim Settlement Event**” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if at the Valuation Time on any Trading Day, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, the Security Value is greater than or equal to the Interim Settlement Level, and a Re-Financing Event shall be deemed to have occurred;

“**Interim Settlement Factor**” means the factor specified as such in the definition of the relevant Series in the applicable Final Terms, subject to any variation by the Issuer at its sole and absolute discretion;

“**Interim Settlement Level**” means the Issue Price rounded down to the next full unit of the Settlement Currency plus the Interim Settlement Factor, all as determined by or on behalf of the Calculation Agent;

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

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

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

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

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

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

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

“**Knock Out Event**” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if at any time on any Trading Day from (and including) the Issue Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, the Security Value is less than or equal to the Knock Out Level, as determined by the Calculation Agent in its sole and absolute discretion;

“**Knock Out Level**” means the level specified as such in the definition of the relevant Series in the applicable Final Terms;

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

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

“Payment Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business (including dealings in foreign exchange and foreign exchange currency deposits) in the principal financial centre for the Settlement Currency or if the Settlement Currency is the euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System is open;

“Prevailing Rate” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the rate as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency in the inter-bank market with a maturity of either one month or overnight, as selected by the Calculation Agent in its sole and absolute discretion;

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

“Re-Financing Event” occurs, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, if on any Trading Day at the Valuation Time, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (a) the Current Leverage Factor is less than or equal to the Lower Leverage Limit or (b) the Current Leverage Factor is greater than or equal to the Upper Leverage Limit or (c) an Interim Settlement Event has occurred, all as determined by or on behalf of the Calculation Agent;

“Re-Financing Reference Price” means the Reference Price on the day on which a Re-Financing Event has, or is deemed to have, occurred;

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

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

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

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

“Reset Date” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the Issue Date and thereafter (a) the 15th day of each calendar month, provided that if such day is not a Business Day the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent;

“Securities” means each Series of the Rolling Mini Short Open End Certificates relating to the Index specified in the applicable Final Terms and each certificate a “Security”. References to the terms “Securities” and “Security” shall be construed severally with respect to each Series specified in the applicable Final Terms;

“Security Value” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the intrinsic value of a Security as determined by the Calculation Agent as follows:

- (a) with regard to the Interim Settlement Event: $(\text{Current Financing Level} - \text{Reference Price}) \times \text{Current Participation Factor}$;
- (b) for the calculation of the Current Participation Factor: $(\text{Current Financing Level} - \text{Execution Level}) \times \text{Current Participation Factor}$;

(c) with regard to the Knock-Out-Event: $(\text{Current Financing Level} - \text{Reference Price}) \times \text{Current Participation Factor}$.

For the avoidance of any doubt, the Current Financing Level in the formula in (b) above shall be the Current Financing Level immediately before the occurrence of the Re-Financing Event;

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

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

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

“**Standard Currency**” means, unless otherwise specified in the definition of the relevant Series in the applicable Final Terms, the lawful currency of Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States, or such other currency as determined by the Calculation Agent at its sole and absolute discretion from time to time;

“**Stop Loss Event**” occurs if, subject to any adjustment in accordance with Product Condition 4, the level of the Index (which shall be deemed to be a monetary value in the Financing Level Currency) is at any time on any Trading Day, from and including the Issue Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Level. If no such price is available the price will be determined by the Calculation Agent in its absolute discretion. Upon the occurrence of such event, a Re-Financing Event shall be deemed to have occurred;

“**Stop Loss Level**” means an amount calculated on each Trading Day in accordance with the formula specified in the definition of the relevant Series (which shall be deemed to be a monetary value in the Financing Level Currency, rounded down to the nearest whole number), subject to adjustment in accordance with Product Condition 4, determined by the Calculation Agent in its sole and absolute discretion;

“**Stop Loss Termination Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Financing Level Currency), as determined by the Issuer in its sole and absolute discretion on the occurrence of a Stop Loss Event, equal to the Execution Level;

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

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

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

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

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

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

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

2. FORM

- (a) Global Form. Except in the case of Securities issued in the form specified in Product Condition 2(b) or 2(c), the Securities will be issued in bearer form and are represented by a global security (the “Global Security”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be

conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “Holder” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

- (b) Dematerialised Form. Certain Securities will, where required by the rules and procedures of the Clearing Agent, be issued in dematerialised form and will be registered in the book-entry system of the Clearing Agent. Title to the Securities will pass by transfer between accountholders at the Clearing Agent perfected in accordance with the legislation, rules and regulations applicable to and/or issued by the Clearing Agent that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions, the term “**Holder**” means a person in whose name a Security is registered in the book-entry settlement system of the Clearing Agent or any other person recognised as a holder of Securities pursuant to the Rules.
- (c) SIX SIS Ltd as Clearing Agent. If SIX SIS Ltd is specified as the Clearing Agent, Securities will, as specified in the applicable Final Terms, be issued in the form of (i) dematerialised securities (the “**Dematerialised Securities**”) or (ii) a bearer permanent Global Security and, in either case, will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by deposit of a Global Security with the Clearing Agent, acting as custodian as defined in article 4 FISA (the “**Custodian**”), or registration of Dematerialised Securities in the main register of the Clearing Agent, acting as Custodian, and (ii) the Clearing Agent, acting as Custodian, crediting the respective rights to securities accounts of one or more of its participants with the Clearing Agent in accordance with articles 4 and 6 FISA. For each issuance of Securities in the form of Dematerialised Securities, the Clearing Agent, acting as Custodian, will maintain the main register as defined in article 6 para. 2 FISA which is available to the public under <https://www.sec.sisclear.com/sec/cm/index/custody-settlement/mainregister.htm>.

Title to the Intermediated Securities is construed and will pass in accordance with the legislation, in particular the FISA, rules and regulations applicable to and/or issued by the Clearing Agent, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the “**Rules**”). Accordingly, in these Conditions,

the term “**Holder**” means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Dematerialised Securities in the case of Dematerialised Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Dematerialised Securities or the Global Security into definitive Securities.

3. RIGHTS AND PROCEDURES.

- (a) Exercise. Provided no Knock Out Event has occurred, and notwithstanding notice of an Issuer Call, the Securities are exercisable by delivery of a Notice prior to the Exercise Time on an Exercise Date.
- (b) Stop Loss Event. Following the occurrence of a Stop Loss Event, the Issuer shall determine the Stop Loss Termination Reference Price and shall notionally re-invest the Stop Loss Termination Reference Price in the Index on the basis of a Re-Financing Event having occurred contemporaneously therewith.
- (c) Issuer Call. The Issuer may terminate, subject to a valid Exercise or the occurrence of a Knock Out Event, the Securities, in whole but not in part on any Business Day by giving Holders at least the Issuer Call Notice Period notice of its intention to terminate the Securities, such notice to be given at any time from (and including) the Issuer Call Commencement Date. Any such notice shall be given in accordance with the provisions of General Condition 4, and shall specify the Issuer Call Date.
- (d) Interim Settlement Event. Following the occurrence of an Interim Settlement Event, the Calculation Agent shall determine and pay the Interim Settlement Amount to the account of the relevant Holder via the Clearing Agent on the Settlement Date and adjust the Security Value on the basis of a Re-Financing Event having occurred contemporaneously therewith. Any amounts not paid via the Clearing Agent shall be retained by the Issuer for payment to the relevant Holder against evidence satisfactory to the Issuer of the Holder’s entitlement to such amount.
- (e) Knock Out Event. Following the occurrence of a Knock Out Event, the Securities will terminate automatically and the Issuer will give notice to the Holders in accordance with General Condition 4. A Knock Out Event will override an Issuer Call and/or due Exercise if the Knock Out Event occurs prior to or on an Issuer Call Date or Valuation Date as the case may be.

- (f) Re-Financing Event. On or promptly following a Re-Financing Event the Calculation Agent shall adjust the Current Financing Level and the Current Participation Factor as set out in Product Condition 1.
- (g) Cash Settlement. Each Security upon due Exercise, termination pursuant to an Issuer Call, determination of an Interim Settlement Event or following a Knock Out Event and except in the case of an Interim Settlement Event subject to the delivery by the Holder of a duly completed Notice and to certification as to non-U.S. beneficial ownership, entitles its Holder to receive, from the Issuer on the Settlement Date either:
 - (i) The Exercise Cash Amount, following a valid Exercise; or
 - (ii) The Issuer Call Cash Amount, following a valid Issuer Call; or
 - (iii) The Interim Settlement Amount, following an Interim Settlement Event; or
 - (iv) The Knock Out Cash Amount, following a Knock Out Event.
- (h) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (i) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent nor any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (j) Notice. All payments shall be subject to the delivery of a duly completed notice (a "Notice") to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
- (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
- (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;

- (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “U.S. person” means:
 - (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
 - (b) any person or entity other than one of the following:
 - (1) a natural person who is not a resident of the United States;
 - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
 - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
 - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
 - (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States; and
 - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (k) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (l) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (m) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has

been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

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

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

- (n) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (o) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

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

“**Market Disruption Event**” means: (i) a general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange

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

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (i), (ii), (iii) or (iv) below.
 - (i) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
 - (ii) If: (A) on or prior to the Valuation Date, the occurrence of a Stop Loss Event, Issuer Call Date, or the occurrence of a Re-Financing Event or occurrence of the Knock Out Event as the case may be, the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the

method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on or prior to the Valuation Date, the occurrence of a Stop Loss Event, Issuer Call Date, or the occurrence of a Re-Financing Event or occurrence of the Knock Out Event the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and/or publish the Index; then (in either case) the Calculation Agent shall determine the Final Reference Price, the Stop Loss Termination Reference Price, or the Termination Reference Price, the Reference Price or the Knock Out Reference Price using, in lieu of a published level for the Index on the Valuation Date, the Issuer Call Date or during the Execution Valuation Period as the case may be, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change or failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of the Index only, the Calculation Agent shall deem such modified Index to be the Index so calculated and announced or to terminate the Securities by giving notice in accordance with General Condition 4.

- (iii) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor, has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor, pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account. (A) a distribution or dividend to existing holders of the shares comprising the Index (the “**Shares**”) of: (aa) Shares; or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders by way of

bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from and including the Issue Date up to but excluding the Valuation Date, Issuer Call Date or the Knock Out Event as the case may be; (G) a distribution of cash dividends on the Shares equal to or greater than 8 per cent. per annum of the then current market value of the Shares; (H) any other similar event having dilutive or concentrative effect on the theoretical value of the Shares.

- (iv) The Issuer reserves the right to make adjustments or to distribute to the Holders any rights in connection with the Securities as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Securities) believes should in the context of the issue of Securities and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.
- (c) The Calculation Agent may make adjustments to the Conditions in order to account for any such event if it considers it appropriate to do so. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations. In making any such determinations and calculations in respect of the Securities, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner.

5. EFFECT OF FINAL TERMS

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

FORM OF FINAL TERMS

DATED []



The Royal Bank of Scotland N.V.
(incorporated in The Netherlands with its statutory seat in Amsterdam)

[NUMBER] [UNDERLYING] [TYPE OF PRODUCT] [CERTIFICATES]

[INDICATIVE] ISSUE PRICE: [][]

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND THE SECURITIES MAY NOT BE EXERCISED, OFFERED, SOLD, TRANSFERRED OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. FURTHERMORE, TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED AND NO U.S. PERSON MAY AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE SECURITIES.

FINAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and the Product Conditions applicable to each Series of Securities described herein (the “relevant Product Conditions”) as set forth in the Base Prospectus relating to Open End Certificates dated 1 July 2010 (the “Base Prospectus”) as supplemented from time to time which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of each Series of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer and each Series of the Securities described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus as so supplemented is available for viewing at the office of the Issuer at 250 Bishopsgate, London EC2M 4AA, United Kingdom and copies may be obtained from the Issuer at that address.

These Final Terms relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions and the relevant Product Conditions contained in the Base Prospectus as so supplemented. These Final Terms, the relevant Product Conditions and the General Conditions together constitute the Conditions of each Series of the Securities described herein and will be attached to any Global Security representing each such Series of the Securities. In the event of any inconsistency between these Final Terms and the General Conditions or the relevant Product Conditions, these Final Terms will govern.

The Netherlands Authority for the Financial Markets has provided the [names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

So far as the Issuer is aware, no person (other than the Issuer in its separate capacities as Issuer and Calculation Agent, see “Risk Factors – Actions taken by the Calculation Agent may affect the Underlying” and “Risk Factors – Actions taken by the Issuer may affect the value of the Securities” in the Base Prospectus) involved in the issue of the Certificates has an interest material to the offer. [NB: Amend as appropriate if there are interests]

Issuer: The Royal Bank of Scotland N.V., acting through [its principal office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands][its London branch at 250 Bishopsgate, London EC2M 4AA][other]

Clearing Agents: [Clearstream Banking AG]
[Centraal Instituut voor Giraal Effectenverkeer B.V.]

(Euroclear Netherlands)
[Euroclear Bank S.A./N.V. as operator of the Euroclear system]
[Clearstream Banking, société anonyme]
[SIS SegalInterSettle AG]
[The Depository Trust Company]
[Other, including address]

Launch Date: []

Subscription Period: []

As, if and when issued trading: []

Issue Date: []

Listing: []

Listing Date: []

Pricing Date: []

Admission to trading: [Application has been made for the Securities to be admitted to trading on [] with effect from [].] [No application for admission to trading has been made.]

Announcements to Holders: Delivered to Clearing Agents

Principal Agent: [The Royal Bank of Scotland N.V., 250 Bishopsgate, London EC2M 4AA]

Registrar: [JP Morgan Chase Bank, N.A., Trinity Towers, 9 Thomas More Street, London E1 9YT, United Kingdom][specify other][None]

Agent(s) [and Transfer Agent(s)]: [ABN AMRO Bank N.V. MF 2020 Kemelstede 2, P.O. Box 3200, 4800 DE Breda, The Netherlands] [Citibank International Plc, Netherlands Branch, Global Transaction Services, Hoge Mosten 2, 4822 NH Breda, The Netherlands]

Calculation Agent: The Royal Bank of Scotland N.V., 250 Bishopsgate, London EC2M 4AA, United Kingdom

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities

Indication of yield: Not Applicable

Form of the Securities [Global Security]
[Dematerialised form]
[Global Security transformed into Intermediated Securities] (*Only applicable to Securities where the*

Clearing Agent is SIX SIS Ltd)
Dematerialised Securities transformed into
Intermediated Securities] (*Only applicable to Securities*
where the Clearing Agent is SIX SIS Ltd)

COMMODITY OPEN END CERTIFICATES

Series:	[Commodity] Open End Certificates Series []
Issue Price:	[]
Additional Market Disruption Events:	[None] [specify]
Business Day:	[As stated in Product Condition 1] [specify other]
Cash Amount:	[Final Reference Price x Entitlement] [specify other]
Commodity:	[] (Bloomberg Page: [])
Emerging Market Disruption Events:	[As stated in Product Condition 1] [specify other]
Entitlement:	[]
Exchange:	[]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [specify other]
Exercise Time:	[10.00 am Central European Time] [specify other]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Issuer Call Commencement Date:	[The first Business Day following the [six month][one year][two year] period from and including the Issue Date] [specify other]
Issuer Call Notice Period:	[three months][one calendar year][two calendar years] [specify other]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [specify other]
Standard Currency:	[As stated in Product Condition 1] [specify other]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [March] in each year, commencing from and including [March] [year]] [specify other]
Valuation Time:	[The time of the London [morning][daily][afternoon] fixing price for the Commodity] [specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[Commodity] Open End Certificates Series []*

[repeat as above for each new Series]

COMMODITY OPEN END QUANTO CERTIFICATES

Series: *[Commodity] Open End Quanto Certificates Series []*

Issue Price: []

Additional Market Disruption Events: [None] *[specify]*

Annual Fee: [[] per cent. per annum]*[specify other]*

Business Day: [As stated in Product Condition 1] *[specify other]*

Cash Amount: $[CA_t = CA_{t-1} * (1 + DCF_{t-1,t} \times Rate_{t-1}) + QMF_t + CF_t]$

where:

CA_t = Cash Amount on Trading Day t

CA_{t-1} = Cash Amount on Trading Day t-1

$DCF_{t-1,t}$ = Day Count Fraction between Trading Day (t-1) and Trading Day t

$Rate_{t-1}$ = Rate on previous Trading Day

QMF_t = Quanto Maintenance Fee on Trading Day t

CF_t = Certificate Fee on Trading Day t.]

[specify other]

Certificate Value: $[CV_t = [CLU_t - CA_t] * CE]$

where:

CV_t = Certificate Value on Trading Day t

CLU_t = Final Reference Price on Trading Day t

CA_t = Cash Amount on Trading Day t

CE = Entitlement]

[specify other]

Commodity: [] (Bloomberg Page: [])

Emerging Market Disruption Events: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: []

Exercise Date: [The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] *[specify other]*

Exercise Time: [10.00 am Central European Time] [*specify other*]
 Initial Quanto Maintenance Fee Level: [[] per cent. per annum][*specify other*]
 Issuer Call Commencement Date: [The first Business Day following the [six month][one year][two year] period from and including the Issue Date] [*specify other*]
 Issuer Call Notice Period: [three months][one calendar year][two calendar years] [*specify other*]
 Certificate Fee: [$CF_t = Fee * CLU_{t-1} * DCF_{t-1,t}$]

where:

CF_t = Certificate Fee on Trading Day t

Fee = Annual Fee

CLU_{t-1} = Reference Price on the previous Trading Day (or, if there is a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days]

[*specify other*]

Quanto Maintenance Fee: [$QMF_t = QMFL_{t-1} * CLU_{t-1} * DCF_{t-1,t}$]

where:

QMF_t = Quanto Maintenance Fee on Trading Day t

$QMFL_{t-1}$ = the Quanto Maintenance Fee Level on Trading Day (t-1)

CLU_{t-1} = the Reference Price on Trading Day (t-1) (or, if there is a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t,t-1}$ = the Day Count Fraction between (t-1) and Trading Day t]

[*specify other*]

Reference Price: [As stated in Product Condition 1] [*specify other*]

Relevant Currency: [As stated in Product Condition 1] [*specify other*]

Relevant Number of Trading Days:	For the purposes of:
	Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
	Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [<i>specify other</i>]
Standard Currency:	[As stated in Product Condition 1] [<i>specify other</i>]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [March] in each year, commencing from and including [March] [<i>year</i>]] [<i>specify other</i>]
Valuation Time:	[The time of the London [morning][daily][afternoon] fixing price for the Commodity] [<i>specify other</i>]
Amendments to General Conditions and/or Product Conditions:	[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]
	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
ISIN:	[]
Common Code:	[]

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[Commodity] Open End Quanto Certificates Series []*

[repeat as above for each new Series]

COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS

OPEN END CERTIFICATES

Series: *[Commodity] Futures and [Commodity] Forward Contracts Open End Certificates Series []*

Issue Price: []

Additional Market Disruption Events: [None] *[specify]*

Business Day: [As stated in Product Condition 1] *[specify other]*

Cash Amount: [Final Reference Price x Rollover Ratio x Entitlement]*[specify other]*

Emerging Market Disruption Events: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: []

Exercise Date: [The third Business Day preceding the Scheduled Valuation Date, as provided in Product Condition 3] *[specify other]*

Exercise Time: [10.00 am Central European time] *[specify other]*

Final Reference Price: [As stated in Product Condition 1] *[specify other]*

Issuer Call Commencement Date: [The first Business Day following the [[one year] period from and including the] Issue Date] *[specify other]*

Issuer Call Notice Period: [Three months][One calendar year] *[specify other]*

Reference Asset: [] (Screen Page: [])

Relevant Currency: [As stated in Product Condition 1] *[specify other]*

Relevant Number of Trading Days: For the purposes of:
Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Rollover Date:	[A date, being a Trading Date, as selected by the Issuer within the last 10 Trading Days prior to the [last Trading Day of the Reference Asset] ¹ [last Trading Day of the reference asset with an expiry month preceding the existing Reference Asset] ²] [the period ending not less than 10 Trading Days prior to the first notice date of the Reference Asset] ³ [a date, being a Trading Day, as selected by the Issuer prior to the period of 10 [Business Days][Trading Days] preceding the first notice date of the Reference Asset] ⁴ [the prompt date of the reference asset with an expiry month preceding the current existing Reference Asset] ⁵ [specify other]
Rollover Ratio:	$[(A-B)/(C+D)] \times E$ where (i) A is the Reference Asset Price; (ii) B is the Transaction Charge multiplied by the Reference Asset Price; (iii) C is the Substitute Asset Price; (iv) D is the Transaction Charge multiplied by the Substitute Asset Price and (v) E is the immediately preceding Rollover Ratio [specify other]
Rollover Time:	[In the course of the usual Trading Hours on the Exchange (currently [11.02 am to 8.30 pm Central European Time])] [specify other]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [specify other]
Standard Currency:	[As stated in Product Condition 1] [specify other]
Transaction Charge:	[As stated in Product Condition 1] [specify other]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of March in each year, commencing from and including March [year]] [specify other]

¹ Applicable to Quanto certificates where the Reference Asset is oil, coffee
² Applicable to Quanto certificates where the Reference Asset is cocoa, sugar
³ Applicable to Quanto certificates where the Reference Asset is wheat
⁴ Applicable to certificates where the Reference Asset is **not** a metal commodity
⁵ Applicable to **all** certificates where the Reference Asset is aluminium or copper

Amendments to General Conditions and/or Product Conditions:

[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscodex: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[Commodity] Futures and [Commodity] Forward
Contracts Open End Certificates Series []*

[repeat as above for each new Series]

COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS

OPEN END QUANTO CERTIFICATES

Series: *[Commodity] Futures and [Commodity] Forward Contracts Open End Quanto Certificates Series []*

Issue Price: []

Additional Market Disruption Events: [None] *[specify]*

Annual Fee: [] *[specify other]*

Business Day: [As stated in Product Condition 1] *[specify other]*

Cash Amount: *[specify]*

Certificate Value:
$$[CV_t = [CLU_t * RR_t - CA_t] \times CE$$

where:

$CV_t =$ Certificate Value on Trading Day t

$CLU_t =$ Final Reference Price on Trading Day t

$CA_t =$ Cash Amount on Trading Day t

$CE =$ Entitlement

$RR_t =$ Rollover Ratio on Trading Day t

[specify other]

Emerging Market Disruption Events: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: []

Exercise Date: [The third Business Day preceding the Scheduled Valuation Date, as provided in Product Condition 3] *[specify other]*

Exercise Time: [10.00 am Central European time] *[specify other]*

Final Reference Price: [As stated in Product Condition 1] *[specify other]*

Initial Quanto Maintenance Fee Level: []

Issuer Call Commencement Date: [The first Business Day following the [[one year] period from and including the] Issue Date] *[specify other]*

Issuer Call Notice Period: [Three months][One calendar year] *[specify other]*

Certificate Fee:

$$[CF_t = Fee * CLU_{t-1} * DCF_{t-1,t} * RR_{t-1}]$$

where:

CF_t = Certificate Fee on Trading Day t

Fee = Annual Fee

CLU_{t-1} = Reference Asset Price on the previous Trading Day at the Valuation Time as announced by the Exchange, converted into the Settlement Currency using the Exchange Rate (or, if there is a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days

RR_{t-1} = Rollover Ratio on Trading Day (t-1)]

[*specify other*]

Quanto Maintenance Fee:

$$[QMF_t = QMFL_{t-1} * CLU_{t-1} * DCF_{t-1,t} * RR_{t-1}$$

where:

QMF_t = Quanto Maintenance Fee on Trading Day t

QMFL_{t-1} = the Quanto Maintenance Fee Level on Trading Day (t-1)

RR_{t-1} = the Rollover Ratio on Trading Day (t-1)

CLU_{t-1} = the Reference Asset Price at the Valuation Time on Trading Day (t-1) as announced by the Exchange, converted into the Settlement Currency using the Exchange Rate (or, if there is a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

DCF_{t, t-1} = means the Day Count Fraction between (t-1) and Trading Day t]

[specify other]

Reference Asset:

[] (Screen Page: [])

Relevant Currency:

[As stated in Product Condition 1] [specify other]

Relevant Number of Trading Days:

For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Rollover Date:

[A date, being a Trading Date, as selected by the Issuer within the last 10 Trading Days prior to the [last Trading Day of the Reference Asset]⁶ [last Trading Day of the reference asset with an expiry month preceding the existing Reference Asset]⁷] [the period ending not less than 10 Trading Days prior to the first notice date of the Reference Asset]⁸ [a date, being a Trading Day, as selected by the Issuer prior to the period of 10 [Business Days][Trading Days] preceding the first notice date of the Reference Asset] [the prompt date of the reference asset with an expiry month preceding the current existing Reference Asset]⁹ [specify other]

⁶ Applicable where the Reference Asset is oil, coffee

Rollover Ratio:	$[(A-B)/(C+D)] \times E$ where (i) A is the Reference Asset Price; (ii) B is the Transaction Charge multiplied by the Reference Asset Price; (iii) C is the Substitute Asset Price; (iv) D is the Transaction Charge multiplied by the Substitute Asset Price and (v) E is the immediately preceding Rollover Ratio][<i>specify other</i>]
Rollover Time:	[In the course of the usual Trading Hours on the Exchange (currently [11.02 am to 8.30 pm Central European Time])] [<i>specify other</i>]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [<i>specify other</i>]
Standard Currency:	[As stated in Product Condition 1] [<i>specify other</i>]
Transaction Charge:	[As stated in Product Condition 1] [<i>specify other</i>]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of March in each year, commencing from and including March [year]] [<i>specify other</i>]

⁷ Applicable where the Reference Asset is cocoa, sugar
⁸ Applicable where the Reference Asset is wheat
⁹ Applicable where the Reference Asset is aluminium or copper

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscodex: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[Commodity] Futures and [Commodity] Forward
Contracts Open End Quanto Certificates Series []*

[repeat as above for each new Series]

FUND OPEN END CERTIFICATES

Series:	[Fund] Open End Certificates Series []
Issue Price:	[]
Additional Fund Event:	[None] [specify]
Business Day:	[As stated in Product Condition 1] [specify other]
Cash Amount:	[Final Reference Price x Entitlement] [specify other]
Emerging Market Disruption Events:	[As stated in Product Condition 1] [specify other]
Entitlement:	[]
Exchange:	[] [Not Applicable]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [specify other]
Exercise Time:	[10.00 am Central European Time] [specify other]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Fund	[] (Bloomberg Page: [])
Issuer Call Commencement Date:	[The first Business Day following [the [one year] period from and including] the Issue Date] [specify other]
Issuer Call Notice Period:	[One calendar year] [specify other]
Reference Asset:	[]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [specify other]
Standard Currency:	[As stated in Product Condition 1] [specify other]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [March] in each year, commencing from and including [March] [year]] [specify other]
Valuation Time:	[The close of trading on the relevant Exchange in relation to a Reference Asset where the Fund is an exchange traded fund] [specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

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INFORMATION ON THE UNDERLYING

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

Series: *[Fund] Open End Certificates Series []*
[repeat as above for each new Series]

FUND OPEN END QUANTO CERTIFICATES

Series: *[Fund] Open End Quanto Certificates Series []*

Issue Price: []

Additional Fund Event: [None] *[specify]*

Annual Fee: [[] per cent. Per annum] *[specify other]*

Business Day: [As stated in Product Condition 1] *[specify other]*

Cash Amount: $[CA_t = CA_{t-1} * (1 + DCF_{t-1,t} \times Rate_{t-1}) + QMF_t + CF_t]$

where:

$CA_t =$ Cash Amount on Trading Day t

$CA_{t-1} =$ Cash Amount on Trading Day t-1

$DCF_{t-1,t} =$ Day Count Fraction between Trading Day (t-1) and Trading Day t

$Rate_{t-1} =$ Rate on previous Trading Day

$QMF_t =$ Quanto Maintenance Fee on Trading Day t

$CF_t =$ Certificate Fee on Trading Day t.]

[specify other]

Certificate Value: $[CV_t = [CLU_t - CA_t] \times CE]$

where:

$CV_t =$ Certificate Value on Trading Day t

$CLU_t =$ Final Reference Price on Trading Day t

$CA_t =$ Cash Amount on Trading Day t

$CE =$ Entitlement]

[specify other]

Emerging Market Disruption Events: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: [] [Not Applicable]

Exercise Date: [The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [*specify other*]

Exercise Time: [10.00 am Central European Time] [*specify other*]

Final Reference Price: [As stated in Product Condition 1] [*specify other*]

Fund: [] (Bloomberg Page: [])

Initial Quanto Maintenance Fee Level: [[] per cent. Per annum][*specify other*]

Issuer Call Commencement Date: [The first Business Day following [the [one year] period from and including] the Issue Date] [*specify other*]

Issuer Call Notice Period: [One calendar year] [*specify other*]

Certificate Fee: [$CF_t = Fee \times CLU_{t-1} \times DCF_{t-1,t}$

where

$CF_t =$ Certificate Fee on Trading Day t

Fee = Annual Fee

$CLU_{t-1} =$ Reference Price on Trading Day (t-1)
(or if there is a Fund Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t} =$ Day Count Fraction between (t-1) and t Trading Days]

[*specify other*]

Quanto Maintenance Fee:

$$[QMF_t = QMFL_{t-1} \times CLU_{t-1} \times DCF_{t-1,t}$$

where

QMF_t = Quanto Maintenance Fee on Trading Day t

QMFL_{t-1} = Quanto Maintenance Fee Level Trading Day (t-1)

CLU_{t-1} = Reference Price on Trading Day (t-1) (or if there is a Fund Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

DCF_{t-1,t} = Day Count Fraction between (t-1) and t Trading Days]

[*specify other*]

Reference Asset:

[]

Relevant Currency:

[As stated in Product Condition 1] [*specify other*]

Relevant Number of Trading Days:

For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Settlement Currency:

[]

Settlement Date:

[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [*specify other*]

Standard Currency:

[As stated in Product Condition 1] [*specify other*]

Underlying Currency:

[]

Valuation Date(s):

[The last Trading Day of [March] in each year, commencing from and including [March] [year]] [*specify other*]

Valuation Time:

[The close of trading on the relevant Exchange in relation to a Reference Asset where the Fund is an exchange traded fund] [*specify other*]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

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INFORMATION ON THE UNDERLYING

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

Series: *[Fund] Open End Quanto Certificates Series []*
[repeat as above for each new Series]

INDEX OPEN END CERTIFICATES

Series:	[Index] Open End Certificates Series []
Issue Price:	[]
Additional Market Disruption Events:	[None] [specify]
Business Day:	[As stated in Product Condition 1] [specify other]
Cash Amount:	[Final Reference Price x Entitlement] [{(Issue Price x [Final Reference Price/Initial Reference Price]) x [Initial Exchange Rate/Final Exchange Rate]} – Index Fee less any accrued Maintenance Fee] [specify other]
Early Termination Amount:	[Not applicable][As stated in Product Condition 1][specify other]
Early Termination Date:	[Not applicable][As stated in Product Condition 1][specify other]
Early Termination Event:	[Not applicable][Occurs if the total number of Shares comprised in the Index is less than the minimum number of index components, as specified in the Index Description] [specify other]
Emerging Market Disruption Events:	[As stated in Product Condition 1] [specify other]
Entitlement:	[]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [specify other]
Exercise Time:	[10.00 am][5.00 pm] Central European Time [specify other]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Index:	[] (Bloomberg Code: [])
Index Fee:	[[] per cent. Per annum]

$$[IF = \{C_{(t-1)} \times [\quad] \times D_{(t)}\} / 360$$

where:

“**IF**” means the aggregated Index Fee from the Issue Date to the Issuer Call Date[, Early Termination Date] or the Valuation Date, as the case may be;

“**C_(t-1)**” means the Cash Amount determined by the Calculation Agent on the immediately preceding Trading Day; and

“**D_(t)**” means the number of Trading Days from (and including) the Issue Date to (but excluding) the Issuer Call Date[, Early Termination Date] or the Valuation Date, as the case may be.]

[Not Applicable] [*specify other*]

Initial Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]
Issuer Call Commencement Date:	[The first Business Day following the [six month][one year][two year] period from and including the Issue Date] [<i>specify other</i>]
Issuer Call Notice Period:	[Three months][One calendar year][Two calendar years] [<i>specify other</i>]
Maximum Maintenance Fee:	[[<input type="text"/>] per cent. Per annum][Not Applicable] [<i>specify other</i>]
Pricing Date(s):	[<input type="text"/>]
Relevant Currency:	[As stated in Product Condition 1] [<i>specify other</i>]
Relevant Number of Trading Days:	For the purposes of: [Early Termination Date:] <input type="text"/> [5, or in respect of an Emerging Market Disruption Event only, 180] Issuer Call Date: <input type="text"/> [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: <input type="text"/> [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[<input type="text"/>]
Settlement Date:	[The [fifth] Business Day following the Valuation Date[, Early Termination Date] or the Issuer Call Date, as the case may be] [<i>specify other</i>]
Standard Currency	[As stated in Product Condition 1] [<i>specify other</i>]
Trading Day:	[As stated in Product Condition 1] [<i>specify other</i>]
Underlying Currency:	[<input type="text"/>]
Valuation Date(s):	The last Trading Day of [March] in each year, commencing from and including [March] [<i>year</i>] [<i>specify other</i>]

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INFORMATION ON THE UNDERLYING

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

Series: *[Index] Open End Certificates Series [] [other]*
[repeat as above for each new Series]

INDEX OPEN END QUANTO CERTIFICATES

Series: *[Index] Open End Quanto Certificates Series []*

Issue Price: []

Annual Fee: [[] per cent. Per annum] *[specify other]*

Additional Market Disruption Events: [None] *[specify]*

Business Day: [As stated in Product Condition 1] *[specify other]*

Cash Amount:

$$[CA_t = CA_{t-1} * (1 + DCF_{t-1,t} \times Rate_{t-1}) + QMF_t + CF_t - D_t]$$

where:

“Ca_t” = Cash Amount on Trading Day t
 “CA_{t-1}” = Cash Amount on Trading Day t-1
 “DCF_{t-1,t}” = Day Count Fraction between Trading Day (t-1) and Trading Day t
 “Rate_{t-1}” = Rate on previous Trading Day
 “QMF_t” = Quanto Maintenance Fee on Trading Day t
 “CF_t” = Certificate Fee on Trading Day t
 “D_t” = Dividends on Trading Day t.

The Cash Amount on the Launch Date is zero. The Cash Amount can be negative.]¹⁰

[{(Issue Price x [Final Reference Price/Initial Reference Price]) – Index Fee} – Quanto Fee

less any accrued Maintenance Fee. The Cash Amount shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.]

[specify other]

Certificate Value: $[CV_t = [CLU_t - CA_t] \times CE]$

where:

CV_t = Certificate Value on Trading Day t
 CLU_t = Final Reference Price on Trading Day t
 CA_t = Cash Amount on Trading Day t
 CE = Entitlement]

[specify other]

Dividends: [Applicable][Not Applicable]¹¹ *[specify other]*

¹⁰ This and the next formula are alternatives for the quanto product

¹¹ Depends on the underlying index

Early Termination Amount:	[Not applicable][As stated in Product Condition 1][<i>specify other</i>]
Early Termination Date:	[Not applicable][As stated in Product Condition 1][<i>specify other</i>]
Early Termination Event:	[Not applicable][Occurs if the total number of Shares comprised in the Index is less than the minimum number of index components, as specified in the Index Description] [<i>specify other</i>]
Emerging Market Disruption Events:	[As stated in Product Condition 1] [<i>specify other</i>]
Entitlement:	[]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [<i>specify other</i>]
Exercise Time:	[10.00 am][5.00 pm] Central European Time [<i>specify other</i>]
Final Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]
Index:	[] (Bloomberg Code: [])
Index Fee:	[[] per cent. Per annum] $[\text{IF} = \{C_{(t-1)} \times [] \times D_{(t)}\} / 360$ <p>where:</p> <p>“IF” means the aggregated Index Fee from the Issue Date to the Issuer Call Date[, Early Termination Date] or the Valuation Date, as the case may be;</p> <p>“C_(t-1)” means the Cash Amount determined by the Calculation Agent on the immediately preceding Trading Day; and</p> <p>“D_(t)” means the number of Trading Days from (and including) the Issue Date[, Early Termination Date] to (but excluding) the Issuer Call Date or the Valuation Date, as the case may be.]</p> [Not Applicable] [<i>specify other</i>]
Initial Quanto Fee Level:	[[] per cent. Per annum] [<i>specify other</i>]
Initial Quanto Maintenance Fee Level:	[[] per cent. Per annum] [<i>specify other</i>]
Initial Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]
Issuer Call Commencement Date:	[The first Business Day following the [six month][one year][two year] period from and including the Issue Date] [<i>specify other</i>]
Issuer Call Notice Period:	[Three months][One calendar year][Two calendar years] [<i>specify other</i>]

Certificate Fee:

$$[CF_t = Fee \times CLU_{t-1} \times DCF_{t-1,t}]$$

where

CF_t = Certificate Fee on Trading Day t

Fee = Annual Fee

CLU_{t-1} = the Reference Price on Trading Day (t-1)
(or if there is a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days]

[*specify other*]

Maximum Maintenance Fee:

[[] per cent. Per annum][Not Applicable] [*specify other*]

Quanto Fee:

$$[QF = \sum_{i=1}^n QFL_i \times CLI_i \times QFDCF_{i-1,i}]$$

where:

QF = the aggregated Quanto Fee from the Issue Date to the Issuer Call Date[, Early Termination Date] or the Valuation Date, as the case may be;

QFL_i = the prevailing Quanto Fee level on the ith Trading Day;

CLI_i = the closing level of the Index (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) as announced by the Index Sponsor on the relevant Trading Day (or, if there has been a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below);

QFDCF_{i-1,i} = the Quanto Fee Day Count Fraction from the (i-1) Trading Day to the ith Trading Day; and

n = the number of Trading Days from (but excluding) the Issue Date to (and including) the Issuer Call Date[, Early Termination Date] or the Valuation Date, as the case may be]

[specify other]

Quanto Maintenance Fee:

$$[QMF_t = QMFL_{t-1} \times CLU_{t-1} \times DCF_{t-1,t}]$$

where

QMF_t = Quanto Maintenance Fee on Trading Day
t

QMFL_{t-1} = Quanto Maintenance Fee Level Trading
Day (t-1)

CLU_{t-1} = the Reference Price on Trading Day (t-1)
(or if there is a Market Disruption Event on such day, the
level as determined as if such Trading Day was a Valuation
Date, (as specified below)

DCF_{t-1,t} = Day Count Fraction between (t-1) and t
Trading Days]

[*specify other*]

Relevant Currency:

[As stated in Product Condition 1] [*specify other*]

Relevant Number of Trading Days:

For the purposes of:

[Early Termination Date:] [5, or in respect of an
Emerging Market Disruption Event only, 180] Issuer Call
Date: [5, or in respect of an Emerging Market
Disruption Event only, 180]

Valuation Date: [5, or in respect of an
Emerging Market Disruption Event only, 180]

Settlement Currency:

[]

Settlement Date:

[The [fifth] Business Day following the Valuation Date[,
Early Termination Date] or the Issuer Call Date, as the case
may be] [*specify other*]

Standard Currency:

[As stated in Product Condition 1] [*specify other*]

Trading Day:

[As stated in Product Condition 1] [*specify other*]

Underlying Currency:

[]

Valuation Date(s):

The last Trading Day of [March] in each year, commencing
from and including [March] [year] [*specify other*]

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INFORMATION ON THE UNDERLYING

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

Series: *[Index] Open End Quanto Certificates Series []*
[other]

[repeat as above for each new Series]

TOTAL RETURN MONEY MARKET INDEX OPEN END CERTIFICATES

Series:	[Total Return Money Market Index] Open End Certificates Series []
Issue Price:	[]
Additional Market Disruption Events:	[None] [specify]
Cash Amount:	[]
Emerging Market Disruption Events	[As stated in Product Condition 1] [specify other]
Exercise Date:	[The third Trading Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [specify other]
Exercise Time:	[5.00 pm local time in Frankfurt am Main, Germany] [specify other]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Index:	[Currency] Total Return Money Market Instrument (Bloomberg Code [])
Initial Reference Price:	[]
Issuer Call Notice Period:	[[Two] Trading Days] [specify other]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[]
Settlement Date:	[[Fifth] Trading Day following the relevant Valuation Date or the Issuer Call Date, as the case may be] [specify other]
Standard Currency:	[As stated in Product Condition 1] [specify other]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [month] in each year, commencing from and including [month] [year]] [specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

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INFORMATION ON THE UNDERLYING

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

Series: *[Total Return Money Market Index] Open End
Certificates Series []*

[repeat as above for each new Series]

BASKET OPEN END CERTIFICATES

Series:	[[<i>ABN AMRO Basket</i>]] <i>Open End Certificates Series</i> []	
Issue Price:	[]	
Additional Market Disruption Events:	[None] [<i>specify</i>]	
Basket:		
Basket Constituent	[WKN/Valoren]	Weight
[The Current Price of the Futures Contract on Coffee Open End Certificates]	[]	[]%
[The Current Price of the Futures Contract on Cocoa Open End Certificates]	[]	[]%
[The Current Price of the A Futures Contract on Frozen Orange Juice Open End Certificates]	[]	[]%
[The Current Price of the Futures Contract on Wheat Open End Certificates]	[]	[]%
[The Current Price of the Futures Contract on Sugar Open End Certificates]	[]	[]%
Business Day:	[As stated in Product Condition 1] [<i>specify other</i>]	
Cash Amount:	[Final Reference Price x Entitlement] [<i>specify other</i>]	
Constituent Closing Price:	[]	
Emerging Market Disruption Events:	[As stated in Product Condition 1] [<i>specify other</i>]	
Entitlement:	[]	
Exchange:	[Stuttgart Stock Exchange (EUWAX)] [Swiss Stock Exchange] [<i>specify other</i>]	
Exercise Date:	[The third Business Day preceding the Scheduled Valuation Date as provided in Product Condition 3] [<i>specify other</i>]	
Exercise Time:	[10.00 am local time in Frankfurt am Main, Germany] [<i>specify other</i>]	
Final Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]	
Initial Reference Price:	[EUR 100] [<i>specify other</i>]	
Issuer Call Notice Period:	[One calendar year] [<i>specify other</i>]	
Pricing Date:	[]	
Relevant Currency:	[As stated in Product Condition 1] [<i>specify other</i>]	

Relevant Number of Trading Days:	For the purposes of: Issue Date – 1: [5, or in respect of an Emerging Market Disruption Event only, 180] Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Re-weighting Day – 1: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Re-weighting Day:	[The first Trading Day of each year commencing [year]] [<i>specify other</i>]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, and, in the event that there is more than one Valuation Date or Issuer Call Date in relation to the Basket, the Settlement Date shall be the [fifth] Business Day following the last Valuation Date or Issuer Call Date, as the case may be] [<i>specify other</i>]
Standard Currency:	[As stated in Product Condition 1] [<i>specify other</i>]
Underlying Currency	[]
Valuation Date(s):	[The last Trading Day of March in each year, commencing from and including March [year]] [<i>specify other</i>]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Valoren: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[[ABN AMRO Basket]] Open End Certificates Series*
[]

[repeat as above for each new Series]

ASSET OPEN END QUANTO CERTIFICATES

Series:	<i>[Asset] Open End Quanto Certificates Series []</i>
Issue Price:	[]
Additional Market Disruption Events:	[None] [specify]
Business Day:	[As stated in Product Condition 1] <i>[specify other]</i>
Cash Amount:	[Final Reference Price x Entitlement] <i>[specify other]</i>
Emerging Market Disruption Events	[As stated in Product Condition 1] <i>[specify other]</i>
Exchange:	[]
Exercise Date:	[The third Business Day preceding the Scheduled Valuation Date as provided in Product Condition 3] <i>[specify other]</i>
Exercise Time:	[10.00 am][5.00 pm][Central European Time][local time in Frankfurt am Main, Germany] <i>[specify other]</i>
Final Reference Price:	[As stated in Product Condition 1] <i>[specify other]</i>
Initial Quanto Maintenance Fee Level:	[[] per cent. per annum] <i>[specify other]</i>
Issuer Call Commencement Date:	[The first Business Day following the [[six month][two year] period from and including the] Issue Date] <i>[specify other]</i>
Issuer Call Notice Period:	[30 calendar days][One calendar year][Two calendar years] <i>[specify other]</i>

Quanto Maintenance Fee:

$$[MF = \sum_{i=1}^n MFL_i \times CLI_i \times MFDCF_{i-1,i}]$$

where:

“MF” = the aggregated Quanto Maintenance Fee from the Issue Date to the Issuer Call Date or Valuation Date, as the case may be;

“MFL_i” = the prevailing Quanto Maintenance Fee Level on the ith Trading Day (as defined below);

“CLI_i” = the closing level of the Reference Asset (which shall be deemed to be a monetary value in the Settlement Currency using the Exchange Rate) on the relevant Trading Day (or, if there has been a Market Disruption Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below);

“MFDCF_{i-1,i}” = the Quanto Maintenance Fee Day Count Fraction from the (i-1)th Trading Day to ith Trading Day (as defined below); and

“n” = the number of Trading Days from (but excluding) the Issue Date to (and including) the Valuation Date or Issuer Call Date, as the case may be.]

[*specify other*]

Reference Asset:

[] (Bloomberg Page [])

Relevant Currency:

[As stated in Product Condition 1] [*specify other*]

Relevant Number of Trading Days:

For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Settlement Currency:

[]

Settlement Date:

[The [fifth] Business Day following the relevant Valuation Date or the Issuer Call Date, as the case may be] [*specify other*]

Standard Currency:

[As stated in Product Condition 1] [*specify other*]

Underlying Currency:

[]

Valuation Date(s): [The last Trading Day of [March] in each year, commencing from and including [March] [year]] [specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *[Asset] Open End Quanto Certificates Series []*
[repeat as above for each new Series]

FUND BASKET OPEN END QUANTO CERTIFICATES

Series: *Fund Basket Open End Quanto Certificates Series []*

Issue Price: []

Additional Fund Event: [None] *[specify]*

Annual Fee: [[] per cent. per annum][Not Applicable]
[specify other]

Basket:

Basket Constituent (i) (i = 1...n)	(Bloomberg: [])	Initial Weight	[Reference Asset]	Exchange
[specify]	[specify]	[specify]	[specify]	[specify]

Basket Launch Date []

Basket Level []

$$I_t = I(RW - 1) \times \left(\sum_{i=1}^n W_i \frac{UF_{i,t}}{UF(RW - 1)_i} \right)$$

Where:

I_t = The Basket Level on Trading Day t

$I(RW-1)$ = The Basket Level on the previous Re-weighting Date based on the Notional Transaction Price.

W_i = The Weight allocated to Basket Constituent i (i = 1...n)

$UF_{i,t}$ = The Notional Transaction Price of Basket Constituent i on Trading Day t

$UF(RW-1)_i$ = The Notional Transaction Price of Basket Constituent i with regard to the previous Re-weighting Date.]

[specify other]

Business Day

[The definition in product Condition 1 applies] *[specify other]*

Cash Amount

[]

$$CA_t = CA_{t-1} * (1 + DCF_{t-1,t} \times Rate_{t-1}) + QMF_t + CF_t$$

where:

CA_t = Cash Amount on Trading Day t

CA_{t-1} = Cash Amount on Trading Day t-1

$DCF_{t-1,t}$ = Day Count Fraction between Trading Day (t-1) and Trading Day t

Rate_{t-1} = Rate on previous Trading Day

QMF_t = Quanto Maintenance Fee on Trading Day t

CF_t = Certificate Fee on Trading Day t.

The Cash Amount on the Launch Date is zero. The Cash Amount can be negative]

[specify other] [Not Applicable]

Certificate Value:

[

$$CV_t = [CLU_t - CA_t] \times CE$$

where:

CV_t = Certificate Value on Trading Day t

CLU_t = Final Reference Price on Trading Day t

CA_t = Cash Amount on Trading Day t

CE = Entitlement

CV₀ = []

$$[CV_t = CV_{t-1} \times \left(\frac{I_t}{I_{t-1}} - CF_t - QMF_t \right)]$$

where:

CV_t = Certificate Value on Trading Day t

CV_{t-1} = Certificate Value on Trading Day t-1

I_t = Basket Level on Trading Day t as announced by the Calculation Agent

I_{t-1} = Basket Level on Trading Day t-1 as announced by the Calculation Agent

CF_t = Certificate Fee on Trading Day t

QMF_t = Quanto Maintenance Fee on Trading Day t

CV₀ = []

[specify other] [Not Applicable]

Emerging Market Disruption Events:	[As stated in Product Condition 1] [<i>specify other</i>]
Entitlement:	[] [Not Applicable]
Exchange:	[See Basket] [Not Applicable]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [<i>specify other</i>]
Exercise Time:	[10.00 am Central European Time] [<i>specify other</i>]
Final Reference Price	[As stated in Product Condition 1] [<i>specify other</i>] [Not Applicable]
Initial Basket Level	[] [Not Applicable]
Initial Quanto Maintenance Fee Level:	[[] per cent. per annum] [<i>specify other</i>]
Issuer Call Commencement Date:	[The first Business Day following [the [one year] period from and including] the Issue Date] [<i>specify other</i>]
Issuer Call Notice Period:	[One calendar year] [<i>specify other</i>]
Certificate Fee:	[

$$CF_t = Fee \times CLU_{t-1} \times DCF_{t-1,t}$$

where

CF_t = Certificate Fee on Trading Day t

Fee = Annual Fee

CLU_{t-1} = Reference Price on Trading Day (t-1) (or if there is a Fund Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days;]

[*specify other*]

Quanto Maintenance Fee [

$$QMF_t = QMFL_{t-1} \times CLU_{t-1} \times DCF_{t-1,t}$$

where

QMF_t = Quanto Maintenance Fee on Trading Day t

$QMFL_{t-1}$ = Quanto Maintenance Fee Level

Trading Day (t-1)

CLU_{t-1} = Reference Price on Trading Day (t-1)
(or if there is a Fund Event on such day, the level as determined as if such Trading Day was a Valuation Date, as specified below)

$DCF_{t-1,t}$ = Day Count Fraction between (t-1) and t Trading Days

If the Issuer realises a profit when arranging the Exchange Rate the Quanto Maintenance Fee could be negative;]

[*specify other*]

Quanto Maintenance Fee Level

[As stated in Product Condition 1] [*specify other*]

Rate

[As stated in Product Condition 1] [*specify other*] [Not Applicable]

Relevant Currency:

[As stated in Product Condition 1] [*specify other*]

Relevant Number of Trading Days:

For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Re-Weighting Date – 1: [5, or in respect of an Emerging Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Re-weighting Dates:

[3 months after the Basket Launch Date and every three months thereafter commencing on []] [*specify other*]

Re-weighting Table

[[]% in the Basket Constituent with the best Performance

[]% in the Basket Constituent with the second best Performance

[]% in the Basket Constituent with the third best Performance

[]% in the Basket Constituent with the fourth best Performance] [*specify other*]

Settlement Currency:

[]

Settlement Date:

[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [*specify other*]

Standard Currency:

[As stated in Product Condition 1] [*specify other*]

Trading Day	[As stated in Product Condition 1] [<i>specify other</i>]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [March] in each year, commencing from and including [March] [<i>year</i>]] [<i>specify other</i>]
Amendments to General Conditions and/or Product Conditions:	[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]
	<i>(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)</i>
ISIN:	[]
Common Code:	[]
Fondscore:	[]
WKN:	[]
Other Securities Code:	[]

Sales Restriction:

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: *Fund Basket Open End Quanto Certificates Series []*

[repeat as above for each new Series]

INDEX BASKET OPEN END CERTIFICATES

Series:	[[<i>ABN AMRO Basket</i>]] <i>Open End Certificates Series</i> []	
Issue Price:	[]	
Additional Market Disruption Events:	[None] [<i>specify</i>]	
Annual Fee:	[% per annum]	
Basket:		
Index	[Underlying Currency]	Weight
[] [Bloomberg Code:]	[]	[]% [see below]
[] [Bloomberg Code:]	[]	[]% [see below]
[] [Bloomberg Code:]	[]	[]% [see below]
[] [Bloomberg Code:]	[]	[]% [see below]
[] [Bloomberg Code:]	[]	[]% [see below]
Best Performing Index:	[As stated in Product Condition 1] [<i>specify other</i>]	
Business Day:	[As stated in Product Condition 1] [<i>specify other</i>]	
Cash Amount:	[]	
Emerging Market Disruption Events:	[As stated in Product Condition 1] [<i>specify other</i>]	
Entitlement:	[]	
Exchange:	[Stuttgart Stock Exchange (EUWAX)] [Swiss Stock Exchange] [<i>specify other</i>]	
Exercise Date:	[The third Business Day preceding the Scheduled Valuation Date as provided in Product Condition 3] [<i>specify other</i>]	
Exercise Time:	[10.00 am local time in Frankfurt am Main, Germany] [<i>specify other</i>]	
Index Closing Price:	[As stated in Product Condition 1] [<i>specify other</i>]	
Initial Price:	[As stated in Product Condition 1] [<i>specify other</i>]	
Initial Reference Price:	[EUR 100] [<i>specify other</i>]	
Issuer Call Commencement Date:	[]	
Issue Date -1:	[As stated in Product Condition 1] [<i>specify other</i>]	
Issuer Call Notice Period:	[One calendar year] [<i>specify other</i>]	
Number of Units:	[As stated in Product Condition 1] [<i>specify other</i>]	
Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]	
Relevant Currency:	[As stated in Product Condition 1] [<i>specify other</i>]	

Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Re-weighting Day – 1: [5, or in respect of an Emerging Market Disruption Event only, 180] Re-weighting Day – 2: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Re-weighting Day:	[The first Trading Day of each year commencing [year]] [specify other]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, and, in the event that there is more than one Valuation Date or Issuer Call Date in relation to the Basket, the Settlement Date shall be the [fifth] Business Day following the last Valuation Date or Issuer Call Date, as the case may be] [specify other]
Standard Currency:	[As stated in Product Condition 1] [specify other]
Valuation Date(s):	[The last Trading Day of March in each year, commencing from and including March [year]] [specify other]
Weight:	[As specified in the definition of Basket][specify other]

Amendments to General Conditions and/or Product Conditions:

[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscodex: []

WKN: []

Valoren: []

Other Securities Code: []

Sales Restriction:

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Index disclaimer(s): []

Series: *[[ABN AMRO Index Basket]] Open End Certificates Series []*

[repeat as above for each new Series]

SINGLE STOCK OPEN END CERTIFICATES

Series:	[Share] Open End Certificates Series []
Issue Price:	[]
Additional Market Disruption Events:	[None] [specify]
Business Day:	[As stated in Product Condition 1] [specify other]
Cash Amount:	[Final Reference Price x Entitlement] [specify other]
Dividend Amount:	[As stated in Product Condition 1] [Not Applicable] [specify other]
Emerging Market Disruption Events:	[As stated in Product Condition 1] [specify other]
Entitlement:	[]
Exchange:	[]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date, as provided in Product Condition 3] [specify other]
Exercise Time:	[10.00 am Central European Time] [specify other]
Fee:	[[] per cent. per annum]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Issuer Call Commencement Date:	[The first Business Day following [the [one year] period from and including] the Issue Date] [specify other]
Issuer Call Notice Period:	[One calendar year] [specify other]
Pricing Date(s):	[]
Relevant Currency:	[As stated in Product Condition 1] [specify other]
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Settlement Currency:	[]
Settlement Date:	[The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be] [specify other]
Share:	[](Bloomberg Code: [])
Share Company:	[] ISIN: []
Standard Currency:	[As stated in Product Condition 1] [specify other]
Underlying Currency:	[]
Valuation Date(s):	[The last Trading Day of [March] in each year, commencing from and including [March] [year]] [specify other]
Amendments to General Conditions and/or	[Amendments to the General Conditions and/or

Product Conditions:

Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and []

future performance of the Underlying and its volatility can be obtained:

Series:

[Share] Open End Certificates Series []

[repeat as above for each new Series]

MULTI-ASSET BASKET OPEN END CERTIFICATES

Series: *Multi-Asset Basket Open End Certificates Series []*

Issue Price: []

Additional Market Disruption Events: [None] [specify]

Basket:

“Basket Constituent” “Share Company” “Exchange” “Weight” “Underlying Currency”

[specify each [] [] []% []
Commodity and
Bloomberg/Reuters
Code]

(“Commodity”)

[the [ordinary] shares
of the Share Company
(ISDN:) (Bloomberg
Code]

(“Share”)

Business Day: [As stated in Product Condition 1] [*specify other*]

Cash Amount: [Final Reference Price x Entitlement] [*specify other*]

Commodity [] [See Basket]

Constituent Closing Price: []

Emerging Market Disruption Events: [As stated in the Product Condition 1][*specify other*]

Entitlement: []

Exchange: [See Basket] [*specify other*]

Exercise Date: [The third Business Day preceding the Scheduled Valuation
Date as provided in Product Condition 3] [*specify other*]

Exercise Time: [10.00 am Central European Time] [*specify other*]

Final Reference Price: [As stated in Product Condition 1] [*specify other*]

Initial Reference Price: [EUR 100] [*specify other*]

Issuer Call Notice Period: [One calendar year] [*specify other*]

Relevant Currency: [As stated in Product Condition 1][*specify other*]

Relevant Number of Trading Days: For the purposes of:

Issue Date – 1: [5, or in respect of an Emerging
Market Disruption Event only, 180]

Issuer Call Date: [5, or in respect of an Emerging
Market Disruption Event only, 180]

Re-weighting Day – 1: [5, or in respect of an Emerging
Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Re-weighting Day: [The first Trading Day of each year commencing [year] [specify other]

Settlement Currency: []

Settlement Date: [The [fifth] Business Day following the Valuation Date or the Issuer Call Date, as the case may be, and, in the event that there is more than one Valuation Date or Issuer Call Date in relation to the Basket, the Settlement Date shall be the [fifth] Business Day following the last Valuation Date or Issuer Call Date, as the case may be] [specify other]

Standard Currency: [As stated in Product Condition 1][specify other]

Valuation Date(s): [The last Trading Day of March in each year, commencing from and including March [year]] [specify other]

Valuation Time: [The time of the London [morning] [daily] [afternoon] fixing price for the Commodity] [specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: Valoren: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

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

Series: [Commodity Basket] Open End Certificates Series []

[repeat as above for each new Series]

SPREAD OPEN END CERTIFICATES

Series:	[] (Long Reference Asset) vs [] (Short Reference Asset) Spread Open End Certificates Series []
Issue Price:	[]
Additional Fund Event:	[None] [specify]
Additional Market Disruption Events:	[None] [specify]
Absolute Notional Position:	[[] and thereafter as stated in Product Condition 1][specify other]
Business Day:	[As stated in Product Condition 1] [specify other]
Calculation Period:	[As stated in Product Condition 1] [specify other] [Not Applicable]
Cash Amount:	[As stated in Product Condition 1] [Specify other Cash Amount or formula for Cash Amount]
Certificate Value:	[As stated in Product Condition 1][specify other]
Daily Cash Amount:	[insert Cert Amount as of Launch Date][and thereafter as stated in Product Condition 1][specify other]
Day Count Fraction:	[The number of calendar days from (but excluding) the previous Trading Day to (and including) the current Trading Day divided by 360]
Dividends:	[Applicable][Not Applicable]
Emerging Market Disruption Events:	[As stated in Product Condition 1][specify other]
Entitlement:	[] [Not Applicable]
Exercise Date:	[As stated in Product Condition 1] [specify other]
Final Reference Price:	[As stated in Product Condition 1] [specify other]
Issuer Call Commencement Date:	
Issuer Call Notice Period:	[one Business Day][specify other]
Leverage:	[As stated in Product Condition 1][specify other]
Certificate Fee:	[As stated in Product Condition 1][specify other]
Certificate Fee Level:	[]%
Maximum Leverage:	[]
Minimum Certificate Value:	[]
Rate:	[As stated in Product Condition 1][specify other]
Reference Asset Price:	[As stated in Product Condition 1][specify other]
Reference Asset Spread Level:	[As stated in Product Condition 1][specify other]
Relevant Currency:	[As stated in Product Condition 1][specify other]

Relevant Number of Trading Days: For the purposes of:
Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Reference Asset Price: [5, or in respect of an Emerging Market Disruption Event only, 180]
Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Reset Dates: [As stated in Product Condition 1][*specify other*]

Settlement Currency: []

Spread:

Reference Asset:	[Reference Asset Company:]	Reference Asset Currency:	[Initial Reference Asset Price:]	[Exchange Rate:]	[Initial Exchange Rate:]	[Weighting:]
[Ordinary shares of the Reference Asset Company] [specify other] (Reuters page: [], Bloomberg Code: []) (“Long Reference Asset”) (“[Commodity][Fund] [Fund Reference Asset] Share[Index]”)	[]	[]	[]	[]	[]	[]
[Ordinary shares of the Reference Asset Company] [specify other] (Reuters page: [], Bloomberg Code: []) (“Short Reference Asset”) (“[Commodity][Fund] [Fund Reference Asset] Share[Index]”)	[]	[]	[]	[]	[]	[]

Spread Index Agent: []

Standard Currency: [As stated in Product Condition 1][*specify other*]

Stop Loss Event: [As stated in Product Condition 1][*specify other*]

Stop Loss Price: []

Valuation Date(s): [As stated in Product Condition 1][*specify other*]

Valuation Time: [As stated in Product Condition 1][*specify other*]

Weighting: [As stated in Product Condition 1][As specified in the definition of Spread][*specify other*]

Amendments to General: [Amendments to the General Conditions and/or Product Conditions as

Conditions
and/or Product
Conditions:

required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common
Code: []

Fondscore: []

WKN: []

Other
Securities
Code: []

Sales
Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: [] (*Long Reference Asset*) vs [] (*Short Reference Asset*) *Spread Open End Certificates Series* []

[repeat as above for each new Series]

QUANTO SPREAD OPEN END CERTIFICATES

Series: [] (Long Reference Asset) vs [] (Short Reference Asset) Quanto Spread Open End Certificates Series []

Issue Price: []

Additional Fund Event: [None] [specify]

Additional Market Disruption Events: [None] [specify]

Absolute Notional Position: [[] and thereafter as stated in Product Condition 1][specify other]

Business Day: [As stated in Product Condition 1] [specify other]

Calculation Period: [As stated in Product Condition 1] [specify other] [Not Applicable]

Cash Amount: [As stated in Product Condition 1]
[Specify other Cash Amount or formula for Cash Amount]

Certificate Value: [As stated in Product Condition 1][specify other]

Daily Cash Amount: [insert Cert Amount as of Launch Date][and thereafter as stated in Product Condition 1][specify other]

Day Count Fraction: [The number of calendar days from (but excluding) the previous Trading Day to (and including) the current Trading Day divided by 360]

Dividends: [Applicable][Not Applicable]

Emerging Market Disruption Events: [As stated in Product Condition 1][specify other]

Entitlement: [] [Not Applicable]

Exercise Date: [As stated in Product Condition 1] [specify other]

Final Reference Price: [As stated in Product Condition 1] [specify other]

Issuer Call Commencement Date: [] [Not Applicable]

Issuer Call Notice Period: []

Leverage: [As stated in Product Condition 1][specify other]

Certificate Fee: [As stated in Product Condition 1][specify other]

Certificate Fee: []%

Level:

Maximum []

Leverage:

Minimum []

Certificate Value:

Rate: [As stated in Product Condition 1][specify other]

Reference Asset Price: [As stated in Product Condition 1][specify other]

Reference Asset Spread Level: [As stated in Product Condition 1][specify other]

Relevant Currency: [As stated in Product Condition 1][specify other]

Relevant Number of Trading Days: For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Reference Asset Price: [5, or in respect of an Emerging Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Reset Dates: [As stated in Product Condition 1][specify other]

Settlement Currency: []

Spread:

Reference Asset:	[Referen ce Asset Company :]	Referen ce Asset Currenc y:	[Initial Referen ce Asset Price]:	[Exchang e:]	Initial Quanto Mainte nance Fee Level:	[Weightin g:]
[Ordinary shares of the Reference Asset Company] [specify other] (Reuters page: [], Bloomberg Code: []) (“Long Reference Asset”) (“[Commodity] [Fund] [Fund Reference Asset] Share [Index]”)	[]	[]	[]	[]	[]	[]
[Ordinary shares of the Reference Asset Company] [specify other] (Reuters page: [], Bloomberg Code: []) (“Short Reference Asset”) (“[Commodity] [Fund] [Fund Reference Asset] Share [Index]”)	[]	[]	[]	[]	[]	[]

Spread Index []
Agent:

Standard Currency: [As stated in Product Condition 1][*specify other*]
Stop Loss Event: [As stated in Product Condition 1][*specify other*]
Stop Loss Price: []
Valuation Date(s): [As stated in Product Condition 1][*specify other*]
Valuation Time: [As stated in Product Condition 1][*specify other*]
Weighting: [As stated in Product Condition 1][As specified in the definition of Spread][*specify other*]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []
Common Code: []
Fondscore: []
WKN: []
Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: [] (*Long Reference Asset*) vs [] (*Short Reference Asset*) *Quanto Spread Open End Certificates Series* []

[repeat as above for each new Series]

QUANTO SPREAD OPEN END CERTIFICATES II

Series: [] (Long Reference Asset) vs [] (Short Reference Asset) Quanto Spread Open End Certificates II Series []

Issue Price: []

Additional Fund Event: [None] [specify]

Additional Market Disruption Events: [None] [specify]

Absolute Notional Position: [[] and thereafter as stated in Product Condition 1][specify other]

Business Day: [As stated in Product Condition 1] [specify other]

Calculation Period: [As stated in Product Condition 1] [specify other] [Not Applicable]

Cash Amount: [As stated in Product Condition 1]
[Specify other Cash Amount or formula for Cash Amount]

Certificate Value: [As stated in Product Condition 1][specify other]

Daily Cash Amount: [insert initial daily cash amount][and thereafter as stated in Product Condition 1][specify other]

Day Count Fraction: [The number of calendar days from (but excluding) the immediately preceding Trading Day to (and including) the current Trading Day, divided by 360]

Dividends: [Applicable][Not Applicable]

Emerging Market Disruption Events: [As stated in Product Condition 1][specify other]

Entitlement: [] [Not Applicable]

Exercise Date: [As stated in Product Condition 1] [specify other]

Final Reference Price: [As stated in Product Condition 1] [specify other]

Issuer Call Commencement Date: [] [Not Applicable]

Issuer Call Notice Period: []

Leverage: [As stated in Product Condition 1][specify other]

Certificate Fee: [As stated in Product Condition 1][specify other]

Certificate Fee Level: []%

Maximum Leverage: []

Minimum Certificate Value: []

Quanto Maintenance Fee: [As stated in Product Condition 1][*specify other*]

Rate: [As stated in Product Condition 1][*specify other*]

Rebalancing Day: [The [6th] calendar day of each [February, May, August and November] or if such day is not a Trading Day the next succeeding Trading Day] [*specify other*]

Rebalancing Day - 1: [As stated in Product Condition 1][*specify other*]

Reference Asset Price: [As stated in Product Condition 1][*specify other*]
 [Means in respect of an Index (1) the current level of such Index or (2) if on a Rebalancing Day - 1, Valuation Date or Issuer Call Date any of the Index Shares close limit up or limit down on such date on the relevant Exchange at the Valuation Time, the official closing level of the Index for such date will be adjusted to reflect the first succeeding non-limit closing price of the relevant Index Shares instead of the limit up or limit down closing price on the relevant date, all as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (if in the determination of the Calculation Agent no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the level of the Reference Asset at such time having regard to the then prevailing market conditions the last reported trading price of the Index Shares on the Exchange and such other factors as the Calculation Agent determines relevant]

Reference Asset Spread Level: [As stated in Product Condition 1][*specify other*]

Relevant Currency: [As stated in Product Condition 1][*specify other*]

Relevant Number of Trading Days: For the purposes of:
 Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
 Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
 Rebalancing Day - 1: [5, or in respect of an Emerging Market Disruption Event only, 180]

Reset Dates: [As stated in Product Condition 1][*specify other*]

Settlement Currency: []

Spread:

Reference Asset: [Reference Asset Company:] [Reference Asset Currency:] [Initial Reference Asset Price:] [Exchange:] [Initial Quanto Maintenance Fee Level:] [Weighting:]

[Ordinary shares of the Reference Asset Company] [] [] [] [] [] []
[specify other] (Reuters page: [], Bloomberg Code: [])

(“Long Reference Asset”
 (“[Commodity] [Fund]
 [Fund Reference Asset]
 [Share] [Index]”)

[Ordinary shares of the Reference Asset Company] [] [] [] [] [] []
[specify other] (Reuters page: [], Bloomberg Code: [])

(“Short Reference Asset”
 (“[Commodity] [Fund]
 [Fund Reference Asset]
 Share][Index]”)

Spread Index Agent: []

Standard Currency: [As stated in Product Condition 1][specify other]

Stop Loss Event: [As stated in Product Condition 1][specify other]

Stop Loss Price: [An amount determined by the Calculation Agent in accordance with the following formula:

$$-0.6 \times CV(r-1)$$

Where:

CV(r-1) = Rebalancing Certificate Value]

[specify other]

Valuation Date(s): [As stated in Product Condition 1][specify other]

Valuation Time: [As stated in Product Condition 1][specify other]

Weighting: [As stated in Product Condition 1][As specified in the definition of Spread][specify other]

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have

and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscore: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: [] (*Long Reference Asset*) vs [] (*Short Reference Asset*) *Quanto Spread Open End Certificates II Series* []

[repeat as above for each new Series]

COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS

OPEN END CERTIFICATES II

Series: *[Commodity] Open End Certificates Series []*

Issue Date: []

Issue Price: [on the Issue Date]

Entitlement: []

Exchange: []

Reference Asset: [on the Issue Date]

Settlement Currency: []

Underlying Currency: []

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: *[Commodity] Futures and Commodity Forward Contracts
Open End Certificates Series II []*

[repeat as above for each new Series]

COMMODITY FUTURES AND COMMODITY FORWARD CONTRACTS

OPEN END QUANTO CERTIFICATES II

Series: *[Commodity] Open End Certificates Series []*

Issue Date: []

Issue Price: []

Entitlement: []

Exchange: []

Initial Futures Quanto Maintenance Fee Level [on the LaunchDate]

Launch Date: []

Reference Asset: [on the LaunchDate]

Settlement Currency: []

Underlying Currency: []

Amendments to General Conditions and/or Product Conditions: [Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

ISIN: []

Common Code: []

Fondscod: []

WKN: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Series: *[Commodity] Futures and Commodity Forward Contracts Open End Certificates Series II []*

[repeat as above for each new Series]

ROLLING COVERED CALL OPEN END CERTIFICATES

Series: *Rolling Covered Call Open End Certificates Series []*
 Issue Price: []
 Additional Market Disruption Events: [Not Applicable] [*specify*]
 Basket:

Index	Index Sponsor	Weight	Call Options Exchange	Index Currency
[<i>specify</i>] (“Index A”)	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]
[<i>specify</i>] (“Index B”)	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]
[<i>specify</i>] (“Index C”)	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]
[<i>specify</i>] (“Index D”)	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]	[<i>specify</i>]

[*Note: add or remove the number of indices as applicable. The defined terms "Index A", "Index B", etc. are intended to be used for the purposes of the following provisions: "Initial Set-up Date", "Notional Investment" and "Re-weighting" below*]

Business Day: [The definition in Product Condition 1 applies] [*specify other*]

Cash Amount: [Final Reference Price x Entitlement] [*specify other*]

Certificate Value: (i) [As of the Launch Date, the Certificate Value (“CV”) will be equal to [] (“**Initial Certificate Value**”)]
 (ii) Otherwise the Certificate Value will be calculated in accordance with the following formula:

$$CV_t = CV_{t-1} \times (SV_t / SV_{t-1})$$

Where:

CV_{t-1} = Certificate Value on the previous Business Day;

SV_t = Strategy Value on Business Day t; and

SV_{t-1} = Strategy Value on the previous Business Day]

[*specify other*]

Coupon: [Applicable. [Each Certificate will pay a coupon of [] per cent. per annum of the Certificate Value on each Coupon Payment Date and will be calculated in accordance with the following formula:

$$\text{Coupon} = []\% \times CV^{t-1}$$

Where:

CV^{t-1} is the Certificate Value on the Business Day prior to the Coupon Observation Date at the Coupon Observation Time.]]

[*specify other*]

[Not Applicable]

Coupon Observation Dates: [[], commencing []] [Not Applicable]

Coupon Observation Time: [The time at which the Index Sponsor relating to [*specify*

	<i>Index</i>] calculates the official closing price of [<i>specify Index</i>] [<i>specify other</i>] [Not Applicable]
Coupon Payment Dates:	[Five Business Days following a Coupon Observation Date] [<i>specify other</i>] [Not Applicable]
Emerging Market Disruption Events:	[The definition in Product Condition 1 applies] [<i>specify other</i>]
Entitlement:	[]
Ex Coupon Date:	[Two Business Days after the relevant Coupon Observation Date] [<i>specify other</i>] [Not Applicable]
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date] [<i>specify other</i>]
Exercise Time:	[5.00 p.m. Central European Time] [<i>specify other</i>]
Final Reference Price:	[The definition in Product Condition 1 applies] [<i>specify other</i>]
Initial Rolling Option Strike:	[The initial rolling option strike in relation to each Index shall be determined at the Valuation Time on one Business Day prior to the Launch Date in accordance with the formula set out under "Next Rolling Option Strike"] [<i>specify other</i>]
Initial Updated Rolling Weight:	[In relation to each Index, at the Rolling Time on Initial Set Up Date (as defined below), the Initial Updated Rolling Weight will be calculated in accordance with the following formula: $W_i^0 = \frac{NI_i * FX_i^0}{(S_i^0 - D_i^0 - C_i^0)}$ S_i^0 = Level in relation to each Index on Initial Set Up Date D_i^0 = Expected Dividends in relation to each Index on Initial Set Up Date C_i^0 = value of the Current Rolling Option in relation to each Index on Initial Set Up Date FX_i^0 =The Index Exchange Rate on Initial Set Up Date NI_i = the Notional Investment (defined below) allocated to each Index on Initial Set Up Date] [<i>specify other</i>]
Initial Set-up Date:	[In relation to each Index: Index A – [<i>specify date</i>] Index B – [<i>specify date</i>] Index C – [<i>specify date</i>] Index D – [<i>specify date</i>] [<i>Note: the definitions of "Index A", "Index B", etc are set out</i>

under "Basket" above. Adjust number of indices as applicable.]]

[specify other]

Interim Settlement Amount: [Applicable. [insert Interim Settlement Amount] [Not Applicable]

Interim Settlement Amount Payment Dates: [Five Business Days following an Interim Settlement Observation Date] [specify other] [Not Applicable]

Interim Settlement Observation Dates: [] [Not Applicable]

Issuer Call: [Applicable][Not Applicable]

Issuer Call Commencement Date: [First Business Day following the three month period from and including the Issue Date and at any time thereafter] [specify other] [Not Applicable]

Issuer Call Notice Period: [One month] [specify other]

Certificate Fee: [The Certificate Fee ("CF") will accrue on a monthly basis and will be calculated by the Calculation Agent on the basis of the relevant Certificate Value. The CF will be deducted from the Certificate Value on the Certificate Fee Calculation Date immediately following the Certificate Fee Calculation Time without undue delay by an amount equal to:

$$CF = \text{Fee} \times CV \times \text{DCF}_{t-1,t}$$

Where:

Fee = []% per annum;

$\text{DCF}_{t-1,t}$ = day count fraction between (i-1) and i Rolling Dates; and

CV = Certificate Value at the Valuation Time on a Certificate Fee Calculation Date]

[specify other]

Next Rolling Option: [In relation to each Index, the market bid price of the Index call option which is determined on a Rolling Date immediately following the Rolling Time on a best efforts basis as the exchange traded Index call option with a strike nearest to the Next Rolling Option Strike (as defined below), at the Rolling Time and a duration which is closest to one month. [This is except for [specify name of Index] and [specify name of Index] which shall be rolled over on a Rolling Date at a time to be decided at the reasonable discretion of the Calculation Agent].] [specify other]

Next Rolling Option Strike: [The Next Rolling Option Strike ("NROSi") will be calculated in relation to each Index one Business Day prior to the Rolling Date ("**Index Valuation Date**") at the Valuation Time based on the level of the Index relative to its 40 and 200 day moving averages on such day as follows:

(i) If $S_i > 40\text{DMA}_i$ and $S_i > 200\text{DMA}_i$ then $\text{NROSi} = S_i \times 1.03$

(ii) If $S_i < 40\text{DMA}_i$ and $S_i < 200\text{DMA}_i$ then $\text{NROSi} = S_i \times 0.97$

(iii) Otherwise $NROS_i = S_i$

Where:

S_i = Level in relation to each Index

$40DMA_i$ = 40 day moving average of the Index

$200DMA_i$ = 200 day moving average of the Index]

[specify other]

Notional Investment:

[For each Index, the following amount in cash shall be allocated:

(i) Index A

[specify amount/calculation]

(ii) Index B

[specify amount/calculation]

(iii) Index C

[specify amount/calculation]

(iv) Index D

[specify amount/calculation]

Prior to the Initial Set Up Date, the Notional Investment allocated to each Index shall be in cash.]

[Note: the definitions of "Index A", "Index B", etc are set out under "Basket" above. Adjust number of indices as applicable.]]

[specify other]

Relevant Currency:

[The definition in Product Condition 1 applies] [specify other]

Re-weighting:

[Applicable. [On a [specify period] basis, the Basket will be re-weighted to the Re-Weighting levels as described below.

For each Index, the following re-weighting levels (the "Re-Weighting Levels" or "RLi") will apply:

<u>Index</u>	<u>Re-Weighting Levels ("RLi")</u>
--------------	------------------------------------

Index A	[specify]%
---------	------------

Index B	[specify]%
---------	------------

Index C	[specify]%
---------	------------

Index D	[specify]%
---------	------------

[Note: the definitions of "Index A", "Index B", etc are set out under "Basket" above. Adjust number of indices as applicable.]]

[specify other]

[Not Applicable]

Relevant Number of Trading Days:

For the purposes of:

Issuer Call Date: [5, or in respect of an Emerging

Market Disruption Event only, 180]

Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]

Settlement Currency: []

Settlement Date: [The [fifth] Business Day following the relevant or, if more than one, final Valuation Date or the Issuer Call Date, as the case may be]

[*specify other*]

Standard Currency: [The definition in Product Condition 1 applies] [*specify other*]

Strategy: [The Index Basket (“**Basket**”) Rolling Covered Call Strategy (the “**Strategy**”) will be calculated by the Calculation Agent.

The Strategy comprises of (i) a long position in the Basket (taking Expected Dividends into account and Weight) and (ii) a short position in the Current Rolling Option for each Index which will be rolled over on a Rolling Date immediately following the Rolling Time, on a best efforts basis without undue delay[, except for [*specify Index*] and [*specify Index*] which shall be rolled over on a Rolling Date at a time to be decided in the reasonable discretion of the Calculation Agent].]

[*specify other*]

Strategy Components: [The Strategy will be comprised of the following two components:

a) **Basket**

A long position in the Basket (taking Expected Dividends into account and Weight)

b) “**Current Rolling Option**”

In relation to each Index, a call option linked to the Index with a maturity of one month and listed on the Call Options Exchange. The Current Rolling Option is rolled over on the maturity date for the Current Rolling Option on the Call Options Exchange (“**Rolling Date**”) immediately following the period during which the Call Options Exchange calculates the official settlement price for the Current Rolling Option (“**Rolling Time**”) without undue delay to the Next Rolling Option (as defined below). [This is except for [*specify Index*] and [*specify Index*] which shall be rolled over on a Rolling Date to be decided at the reasonable discretion of the Calculation Agent, as specified herein].]

[*specify other*]

Strategy Value: [The Strategy Value (“**SV**”) will be calculated on the basis of

the current weightings and values of the respective components according to the current strategy composition in accordance with the following formula:

$$SV = \sum_{i=1}^4 (W_i * (S_i - D_i - C_i) / FX_i)$$

Where:

Si = Level in relation to each Index;

Wi = Updated Rolling Weight in relation to each Index (as defined below);

Di = Expected Dividends in relation to each Index;

Ci = The value of the Current Rolling Option in relation to each Index; and

FXi = The Index Exchange Rate.]

[specify other]

Underlying Currency:

[]

Updated Rolling Weight:

[The Updated Rolling Weight “ W_i^t ” will be calculated on [Note: use the following language where Interim Settlement is contemplated][an Interim Settlement Observation Date at the Valuation Time in accordance with the following formula:

$$W_i^t = W_i^{t-1} * \left(1 - \frac{\text{InterimSettlementAmount}}{CV^{t-1}} \right); \text{ or}$$

[Note: use the following language where a Coupon is contemplated][a Coupon Observation Date at the Coupon Observation Time in accordance with the following formula:

$$W_i^t = \left(\frac{RL_i (CV^t - \text{Coupon}) * FX_i^t}{(S_i^t - D_i^t - C_i^t)} \right); \text{ or}$$

The Certificate will go ex-coupon at the Ex-Coupon Date.]

On a Rolling Date at the Rolling Time in accordance with the

$$\text{following formula: } W_i^t = W_i^{t-1} * \frac{(S_i - C_i^{t-1})}{(S_i - D_i^t - C_i^t)}; \text{ or}$$

On a Certificate Fee calculation date (the last Business Day of each month), (“**Certificate Fee Calculation Date**”) at the Certificate Fee Calculation Time:

$$W_i^t = W_i^{t-1} * \left(1 - \frac{CF}{CV^{t-1}} \right)$$

Where:

S_i^t = Level in relation to each Index;

CV^{t-1} = Certificate Value prior to Valuation Time or Rolling Time as the case may be;

D_i^t = Expected Dividends in relation to each Index;

C_i^{t-1} = value of the Current Rolling Option in relation to each Index;

C_i^t = value of the Next Rolling Option in relation to each Index;

W_i^{t-1} = previous Updated Rolling Weight in relation to each Index;

W_i^0 = Initial Updated Rolling Weight in relation to each Index; and

CF = Certificate Fee.]

“**Certificate Fee Calculation Time**” means [the time at which the Sponsor relating to [specify index] calculates the official closing price of [specify index]]

[specify other]

Valuation Date(s):

[The last Business Day of [] in each year, commencing from and including []] [specify other]

Valuation Time:

[Close of trading of the Exchange] [specify other]

Amendments to General Conditions and/or Product Conditions:

[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus

Directive)

ISIN: []

Common Code: []

Fondscore: []

WKN: []

Valoren: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and future performance of the Underlying and its volatility can be obtained: []

Index disclaimer(s): []

Series: *Rolling Covered Call Open End Certificates Series []*
[repeat as above for each new Series]

ROLLING MINI SHORT OPEN END CERTIFICATES ON AN INDEX

Series:	<i>[Index] Rolling Mini Short Open End Certificates Series</i> <i>[]</i>
Additional Market Disruption Events:	[None] <i>[specify]</i>
Business Day:	[As stated in Product Condition 1] <i>[specify other]</i>
Cash Amount:	(a) Upon Exercise: (Current Financing Level - Final Reference Price) x Current Participation Factor (the “ Exercise Cash Amount ”); or (b) Upon an Issuer Call: (Current Financing Level - Termination Reference Price) x Current Participation Factor (the “ Issuer Call Cash Amount ”); or (c) Following a Knock Out Event: (Current Financing Level – Execution Level) x Current Participation Factor (the “ Knock Out Cash Amount ”), <i>[specify other]</i>
Current Financing Level:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Leverage Factor:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Participation Factor:	[As stated in Product Condition 1] <i>[specify other]</i>
Current Spread:	[]%
Emerging Market Disruption Events	[As stated in Product Condition 1] <i>[specify other]</i>
Exercise Date:	[The third Business Day preceding the scheduled Valuation Date as provided in Product Condition 3] <i>[specify other]</i>
Exercise Time:	[5.00 p.m. (local time in Frankfurt am Main, Germany)][10.00am local time in Frankfurt am Main, Germany] <i>[specify other]</i>
Final Reference Price:	[As stated in Product Condition 1] <i>[specify other]</i>
Financing Level Currency:	[]
Index	[] <i>[Bloomberg Code]</i>
Initial Current Financing Level:	[]
Initial Current Participation Factor:	[]
Interim Settlement Amount:	[As stated in Product Condition 1] <i>[specify other]</i>
Interim Settlement Event:	[As stated in Product Condition 1] <i>[specify other]</i>
Interim Settlement Factor:	[]
Issue Price:	[]
Issuer Call Commencement Date:	[]
Issuer Call Notice Period:	[One calendar year] <i>[specify other]</i>
Knock Out Event:	[As stated in Product Condition 1] <i>[specify other]</i>
Knock Out Level:	[]

Lower Leverage Limit:	[]
Maximum Execution Valuation Period:	[As stated in Product Condition 1] [<i>specify other</i>]
Maximum Spread:	[]%
Prevailing Rate:	[As stated in Product Condition 1] [<i>specify other</i>]
Re-Financing Event:	[As stated in Product Condition 1][<i>specify other</i>]
Reference Price:	[As stated in Product Condition 1] [<i>specify other</i>]
Relevant Currency:	[As stated in Product Condition 1][<i>specify other</i>]
Relevant Number of Trading Days:	For the purposes of: Issuer Call Date: [5, or in respect of an Emerging Market Disruption Event only, 180] Valuation Date: [5, or in respect of an Emerging Market Disruption Event only, 180]
Reset Date:	[As stated in Product Condition 1] [<i>specify other</i>]
Security Value:	[As stated in Product Condition 1][<i>specify other</i>]
Settlement Currency:	[]
Settlement Date:	[the fifth Business Day following the Valuation Date, the Knock Out Event, Issuer Call Date or Interim Settlement Event, as the case may be]
Standard Currency:	[As stated in Product Condition 1][<i>specify other</i>]
Stop Loss Level:	[95% multiplied by the immediately preceding Reference Price]
Target Leverage Factor:	[]
Upper Leverage Limit:	[]
Valuation Date(s):	[The last Trading Day of March in each year, commencing from and including March [<i>year</i>]] [<i>specify other</i>]
Valuation Time:	[the time with reference to which the Index Sponsor calculates the closing level of the Index]

Amendments to General Conditions and/or Product Conditions:

[Amendments to the General Conditions and/or Product Conditions as required by applicable consumer protection and other laws and/or clearing system and exchange rules. Such amendments may be (i) deletion of one or more General Conditions and/or Product Conditions in part or in its entirety; (ii) addition of disclosure and/or publication requirements; (iii) changes to pay off and other formula's; (iv) addition of clearing system details and applicable clearing rules and arrangements agreed between the Issuer and the relevant clearing system; (v) disclosure of fees applicable in connection with any exercise rights the Holders of Securities may have and (vi) other changes which are not materially prejudicial to the interest of the holders of Securities.]

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ISIN: []

Common Code: []

Fondscod: []

WKN: []

Valoren: []

Other Securities Code: []

Sales Restriction: The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Securities may not be exercised, offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S under the Securities Act. Furthermore, trading in the Securities has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended and no U.S. person may at any time trade or maintain a position in the Securities.

INFORMATION ON THE UNDERLYING

Page where information about the past and []
future performance of the Underlying and its
volatility can be obtained:

Index disclaimer(s): []

Series: [Index] Rolling Mini Short Open End Certificates Series
[]

[repeat as above for each new Series]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms