

The Royal Bank of Scotland plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980,
registered number 90312)

Call and Put Warrants (UK Public) Base Prospectus

This document comprises a base prospectus (**Prospectus**) in respect of the above Warrants (the **Warrants** or **Securities**) for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

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

Application will, if so specified in the applicable Final Terms, be made to the UK Listing Authority for the Securities to be admitted to the Official List of the UK Listing Authority, and to the London Stock Exchange plc (the **London Stock Exchange**) for the Securities to be admitted to trading on the London Stock Exchange's Regulated Market. Such market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

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

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

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

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

Arranger

The Royal Bank of Scotland

26 September 2008

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

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

The Issuer will not be providing any post issuance information in relation to 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**). Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

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

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

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

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

Neither of the Issuer or the relevant Distributor (if any) represent that this Prospectus may be lawfully distributed, or that the 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 or the relevant Distributor (if any) which would permit a public offering of any Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than in the United Kingdom. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

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

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DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) registration document dated 26 September 2008 relating to the Issuer that has been approved by the Financial Services Authority (the **Registration Document**) (except the documents incorporated therein by reference);
- (ii) the Prospectus dated 26 September 2008 relating to the Issuer's Certificate and Warrant Programme (except the documents incorporated therein by reference and excluding the sections entitled "Summary of the Programme", "Risk Factors" and "Form of Final Terms") (the **Programme Prospectus**);
- (iii) the audited consolidated annual financial statements for the financial years ended 31 December 2006 and 2007 of the Issuer together, in each case, with the audit report thereon;
- (iv) the announcement by the Issuer dated 2 September 2008 of its unaudited "Results for the half year ended 30 June 2008" save for the section entitled "Statement of directors' responsibilities" on page 17 (the **RBS Interim Results**);
- (v) the following parts of the unaudited consolidated interim results for the half year ended 30 June 2008 of The Royal Bank of Scotland Group plc (**RBSG**), which were published via the Regulatory News Service of the London Stock Exchange plc on 8th August 2008: (i) Presentation of Information (excluding the section entitled "Pro forma results") (page 4); (ii) the section entitled "ABN AMRO integration" of the Group Chief Executive's Review on page 9; (iii) the section entitled "Outlook" of the Group Chief Executive's Review on page 11; (iv) Credit Market Exposures (pages 42-43); (v) the statutory results of RBSG in respect of the six months ended 30th June 2008 and the notes thereon, together with the related financial review and balance sheet overview, independent review report of Deloitte & Touche LLP, regulatory ratios and other additional disclosures, as well as the principal risks and uncertainties for RBSG and its subsidiaries (the **Group**) in the second half of 2008, all as set on pages 63-80 and 86-92; and (vi) Appendix 2 – Credit market and related exposures – additional information; and
- (vi) the following sections of the document dated 30 April 2008 (which comprises (A) a circular prepared in compliance with Listing Rules 13.4.3(3)-(5) of the UK Listing Authority made under section 73A FSMA, (B) a circular prepared for the purposes of the General Meeting of RBSG held on 14 May 2008 and (C) a prospectus relating to the proposed rights issue to raise proceeds of £12 billion, net of expenses, prepared in accordance with the Prospectus Rules of the UK Listing Authority made under section 73A FSMA (the **Rights Issue Prospectus**): (i) Important Information on pages 17-19; (ii) pages 24 and 25 of the Letter from the Chairman of RBS; (iii) paragraphs 4 (Dividends and dividend policy), 5 (Capital), 6 (Board and management), 8 (Further information) and 13 (Directors' intentions) on pages 27 to 33 of the Letter from the Chairman of RBS; (iv) paragraphs 3 (Subordinated liabilities) and 4 (Capital resources and liquidity management) of Part V (Overview of Business Performance and Operating and Financial Review of RBS) on pages 68-73; (v) Part VI (Financial Information on RBS); (vi) Part VII (Operating and Financial Review of ABN AMRO); (vii) Part VIII (Financial Information on ABN AMRO); (viii) Part IX (Unaudited Pro Forma Financial Information); (ix) Part XII (Additional Information) on pages 92-136, excluding paragraph 4.2 (Articles of Association) on pages 95-100, paragraph 6 (Directors of the Company) on pages 101-107, paragraph 16 (Litigation) on pages 128-129, paragraph 17 (Investigations) on pages 129-131, paragraph 22 (Working Capital) on page 134 and paragraph 23 (No Significant Change) on page 134; (x) Part XIV (Definitions) on pages 140-146; and (xi) Annex A (Three-Year Track Record of ABN AMRO),

each of which shall be deemed to be incorporated in, and form part of, this Prospectus.

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

For the period of twelve months from the date of this Prospectus, copies of the RBS Interim Results will be available for inspection during normal business hours at the registered office of the Issuer and at the specified offices of each of the Certificate and Warrant Agents for the time being.

SUMMARY

The Royal Bank of Scotland plc Call and Put Warrants (UK Public)

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

Description of the Issuer

The Issuer (together with its subsidiaries, the **Issuer Group**) is a wholly owned subsidiary of The Royal Bank of Scotland Group plc (**RBSG**). RBSG (together with its subsidiaries, the **Group**) had a market capitalisation of £34.7 billion at 30th June 2008. Headquartered in Edinburgh, the Group operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, RBS and National Westminster Bank Plc (**NatWest**). RBSG's operations are conducted principally through RBS and its subsidiaries (including NatWest) other than ABN AMRO businesses and the general insurance business (primarily the Direct Line Group and Churchill Insurance). RBS is a public limited company incorporated in Scotland with registration number SC090312 having been incorporated under Scots law on 31st October 1984. Both RBS and NatWest are major United Kingdom clearing banks whose origins go back over 275 years. In the United States, the Group's subsidiary Citizens Financial Group, Inc. (**Citizens**) is ranked the tenth largest commercial banking organisation by deposits at 31st March 2008. The 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 in over 50 countries.

The Group had total assets of £1,948.7 billion and owners' equity of £61.6 billion at 30th June 2008. The Group's capital ratios, which include the equity minority interest relating to ABN AMRO, were: a total capital ratio of 13.2 per cent., a Core Tier 1 capital ratio of 6.7 per cent. and Tier 1 capital ratio of 9.1 per cent. as at 30th June 2008. RBS had total assets of £1,202.8 billion and shareholders' equity of £58.0 billion at 30th June 2008. The Issuer capital ratios were: a total capital ratio of 15.6 per cent. and Tier 1 capital ratio of 10.2 per cent. as at 30th June 2008.

On 17th October 2007, RFS Holdings B.V. (**RFS Holdings**), a company jointly owned by RBSG, Fortis N.V., Fortis SA/NV (Fortis N.V. and Fortis SA/NV, together, **Fortis**) and Banco Santander S.A. (**Santander**) (the **Consortium Banks**) and controlled by RBSG, completed the acquisition of ABN AMRO Holding N.V. ("ABN AMRO"). ABN AMRO is a major international banking group with a leading position in international payments and a strong investment banking franchise with particular strengths in emerging markets, as well as offering a range of retail and commercial financial services around the world via regional business units in Europe, the Netherlands, North America, Latin America and Asia. RFS Holdings is in the process of implementing an orderly separation of the business units of ABN AMRO with RBSG principally retaining ABN AMRO's global wholesale businesses and international retail businesses in Asia and the Middle East. Certain other assets will continue to be shared by the Consortium Banks.

Description of the Securities

The cash amount (if any) which will be paid to the investor on the Settlement Date is linked to the performance of one or more commodities or related forward or futures contract, currency exchange rates, funds, forward or futures contract relating to one or more government bonds, debt instruments,

indices, inflation rates, shares or certificates or any combination thereof so specified in the applicable Final Terms.

Securities relating to a single share or range of single shares may be physically settled if cash settlement is not elected in the applicable Final Terms.

Application will, if so specified in the applicable Final Terms, be made for the Securities to be admitted to trading on the London Stock Exchange's Regulated Market.

Return on the Expiration Date

Cash Amount

If cash settlement is selected in the applicable Final Terms, when the Securities are exercised, investors will receive the Cash Amount (if any) on the Settlement Date. Exercise of the Securities will, if so specified in the applicable Final Terms, be automatic, or otherwise be subject to receipt of a duly completed exercise notice.

The **Cash Amount** (which is always subject to a minimum of zero) is calculated as set out below.

- 1** In respect of a Security (other than a Security linked to an inflation index) which is specified in the applicable Final Terms as a 'Call Warrant':

The **Cash Amount** is equal to the Call Return multiplied by the Entitlement, less Expenses (subject to a minimum of zero).

The **Call Return** is calculated as the Final Reference Price less the Strike Price.

If the Final Reference Price is less than or equal to the Strike Price or if the Call Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor. Subject thereto, the greater the Final Reference Price relative to the Strike Price, the greater the Cash Amount will be.

- 2** In respect of a Security (other than a Security linked to an inflation index) which is specified in the applicable Final Terms as a 'Put Warrant':

The **Cash Amount** is equal to the Put Return multiplied by the Entitlement, less Expenses (subject to a minimum of zero).

The **Put Return** is calculated as the Strike Price less the Final Reference Price.

If the Strike Price is less than or equal to the Final Reference Price or if the Put Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor. Subject thereto, the greater the Final Reference Price relative to the Strike Price, the smaller the Cash Amount will be.

- 3** In respect of a Security linked to an inflation index:

The **Cash Amount** is equal to the Reference Price Return multiplied by the Entitlement, less Expenses.

The **Reference Price Return** means the positive percentage change in the level of the inflation index from the Valuation Month in Year X to the Valuation Month in Year Y.

If the Reference Price Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor.

For the purposes of determining the Cash Amount:

Entitlement means, in respect of a Security, the number specified as such in the applicable Final Terms.

Expenses means, in respect of a Security, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise of such Security and/or (ii) any payment or delivery due following exercise or otherwise in respect of such Security.

Final Reference Price means (i) in respect of a Security linked to a Reference Item, (other than an inflation index or a basket of shares) the level, price or value of each such Reference Item on the Valuation Date; and (ii) in respect of a Security linked to a basket of shares, the sum of the weighted share prices comprised in the basket on the Valuation Date.

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

Settlement Date means the date specified in the applicable Final Terms.

Strike Price means the price specified in the applicable Final Terms.

Valuation Date(s) means, in respect of Securities other than Securities relating to an inflation index, the exercise date, subject to adjustment.

Valuation Month means, in respect of a Security linked to an inflation index, each month specified as such in the applicable Final Terms.

Year X and **Year Y** mean, in respect of a Security linked to an inflation index, the years specified in the applicable Final Terms.

Physical Settlement

If physical settlement is selected in the applicable Final Terms, when the Securities are exercised, investors will receive on the Settlement Date the relevant number of shares in respect of each share issuer, subject to payment of any Expenses, pursuant to the terms and conditions of the Securities.

Expenses means, in respect of a Security, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise of such Security and/or (ii) any payment or delivery due following exercise or otherwise in respect of such Security.

Other

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

Please note that the full terms and conditions contain provisions dealing with non-business days, disruptions and adjustments that may affect the Reference Items.

Risk Factors

The terms of the Securities provide that the Cash Amount will be dependent upon the performance of the relevant Reference Item(s).

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

An investment in the Securities is not the same as an investment in any Reference Item or an investment which is directly linked to any Reference Item. In particular, investors may not receive any payments by way of dividends.

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

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

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

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

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

Fluctuations in the value of the relevant Reference Item(s) may affect the value of the Securities.

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

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

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

RISK FACTORS

The following risk factors shall be read in conjunction with the risk factors as set out in the Programme Prospectus and the Registration Document. Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them. The terms of the Securities provide that the Cash Amount will be dependent upon the performance of the relevant Reference Item(s).

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

An investment in the Securities is not the same as an investment in any Reference Item or an investment which is directly linked to any Reference Item. In particular, investors may not receive any payments by way of dividends.

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

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

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

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

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

Fluctuations in the value of the relevant Reference item(s) may affect the value of the Securities.

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

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

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

TERMS AND CONDITIONS

The Securities will be subject to the Terms and Conditions of the Securities in the Programme Prospectus (the **Conditions**) and also to the following provisions (the **Product Conditions**). In the case of inconsistency between the Conditions and the Product Conditions, the Product Conditions shall prevail.

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

1 Cash Amount

1.1 Call Warrants

The Cash Amount per Security in respect of Securities (other than Inflation Index Securities) specified as '**Call Warrants**' in the applicable Final Terms shall be an amount subject to a minimum of zero in the Specified Currency payable on the Settlement Date, determined in accordance with the following formula:

$$\text{Max } \{0; [(\text{Final Reference Price} - \text{Strike Price}) \times \text{Entitlement} - \text{Expenses}]\}$$

1.2 Put Warrants

The Cash Amount per Security in respect of Securities (other than Inflation Index Securities) specified as '**Put Warrants**' in the applicable Final Terms shall be an amount subject to a minimum of zero in the Specified Currency payable on the Settlement Date, determined in accordance with the following formula:

$$\text{Max } \{0; [(\text{Strike Price} - \text{Final Reference Price}) \times \text{Entitlement} - \text{Expenses}]\}$$

1.3 Inflation Index Securities

The Cash Amount per Security in respect of Inflation Index Securities payable on the Settlement Date shall be determined by the Calculation Agent in accordance with the formula specified in the applicable Final Terms, less Expenses.

2 Physical Settlement

Upon the exercise of Physical Delivery Securities in accordance with the Conditions, the Issuer shall deliver to the relevant Securityholder on the Settlement Date (subject to adjustment for any Settlement Disruption Event) the Share Amount subject to payment of any Expenses.

3 Definitions

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

Cash Amount means, unless otherwise specified in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the applicable formula set out in Product Condition 1 and references to "Cash Settlement Amount" in the Programme Prospectus shall be construed to be references to "Cash Amount";

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

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 Securityholders in accordance with Condition 11 (each a “**Clearing Agent**” and together the “**Clearing Agents**”) and all related references in the Programme Prospectus shall be construed accordingly;

Entitlement means, in respect of a Security, the number specified as such in the applicable Final Terms (representing the number of Reference Items corresponding to such Security) which a Securityholder is entitled to receive on the Settlement Date, and references to such term in the Programme Prospectus shall be construed accordingly;

Exchange Rate means, where the Strike Currency is different to the Settlement Currency, the rate of exchange between the Strike 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 and references in the Programme Prospectus to such term shall be construed accordingly;

Exercise Date means, if the Securities are specified as European Style Warrants in the applicable Final Terms, the Expiration Date or, if the Securities are specified as American Style Warrants in the applicable Final Terms, any Business Day within the Exercise Period upon which the Exercise Notice is, or, as the case may be, is deemed to have been, delivered in accordance with Condition 5, and references in the Programme Prospectus to “Actual Exercise Date” shall be construed as references to “Exercise Date”;

Exercise Period means, if the Securities are specified as American Style Warrants in the applicable Final Terms, the period running from (but excluding) the Issue Date to (and including) the Exercise Time on the Expiration Date;

Exercise Time means the time specified as such in the applicable Final Terms;

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

Final Reference Price means, subject to adjustment in accordance with Conditions 15 and 16:

- (a) in respect of Commodity Securities, unless otherwise specified in the applicable Final Terms, (i) an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of the Commodity on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction or (ii) in respect of Commodity Securities linked to a Contract, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of the Reference Asset on the Valuation Date, adjusted for any reasonable market making spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (b) in respect of Currency Securities, the amount specified as such in the applicable Final Terms or if Final Reference Price is not so specified, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of the Underlying FX Rate on the Valuation Date, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (c) in respect of Fund Securities, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of the Reference Asset on the Valuation Date, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (d) in respect of Government Bond Securities, the amount specified as such in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of the Reference Asset on the Valuation Date, adjusted for any reasonable market-making

spreads, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

- (e) in the case of Securities relating to an Index, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Strike Currency) equal to the Level of such Index on the Valuation Date, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (f) in respect of Securities relating to a single Share, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (which shall be deemed to be a monetary value in the Strike Currency) of such Share on the Valuation Date, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;
- (g) in respect of Securities linked to a Basket of Shares, an amount equal to the sum of the Levels of each Share comprised in that Basket, multiplied by its respective Weight, on the Valuation Date, as determined by or on behalf the Calculation Agent without regard to any subsequently published correction;
- (h) in respect of Inflation Index Securities, unless otherwise specified in the applicable Final Terms, an amount equal to the Level (which shall be deemed to be a monetary value in the Strike Currency) of the relevant Inflation Index for the relevant Valuation Month, published by the Index Sponsor, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction; and
- (i) in respect of Certificate Warrants unless otherwise specified in the applicable Final Terms, an amount equal to the Level (which shall be deemed to be a monetary value in the Strike Currency) of the Underlying on the Valuation Date, as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction,

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

Governmental Authority means any de facto or de jure government (or agency or instrumentality thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Relevant Currency Exchange Rate or the Underlying FX Rate (in the case of Currency Securities only), or the country to which the Reference Asset (in the case of Government Bond Securities only) is in fact referenced;

Index Sponsor has the meaning given in the Programme Prospectus;

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

Issue Date means the date specified in the applicable Final Terms;

Launch Date means the date specified in the applicable Final Terms;

Level means, subject to adjustment in accordance with Conditions 15 and 16:

- (a) in relation to Index Securities and in respect of an Index, on any day, the level of the relevant Index published by the relevant Index Sponsor as at the Valuation Time on such day, as determined by or on behalf of the Calculation Agent;
- (b) in relation to Inflation Index Securities and in respect of an Inflation Index, the level of the relevant Inflation Index as published by the relevant Index Sponsor in respect of the relevant Valuation Month, as determined by or on behalf of the Calculation Agent;

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

Market Disruption Event means any event specified as such in Condition 15 and Product Condition 4 and references to such term in the Programme Prospectus shall be construed accordingly;

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

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

Pricing Date means, in respect Inflation Index Securities, the date or dates specified as such in the applicable Final Terms, subject to adjustment by the Calculation Agent in adverse market conditions if, in the opinion of the Calculation Agent, circumstances so required;

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

Relevant Currency Exchange Rate means each rate of exchange between the Relevant Currency and the Settlement Currency, or where the Relevant Currency is the Settlement Currency, between the Relevant Currency and any other applicable currency, as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

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

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

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

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

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

Trading Day means, for the purposes of this Product Condition 4, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each Exchange or Related Exchange other than a day on which trading on the Exchange or Related Exchange is scheduled to close prior to its regular weekday closing time;

Underlying FX Rate means, in respect of Currency Securities, the rate specified as such in the applicable Final Terms and references in the Programme Prospectus to "FX Rate" shall be construed as references to "Underlying FX Rate";

Valuation Date means, in respect of Securities other than Inflation Index Securities, the Exercise Date, subject to adjustment in accordance with Conditions 15 and 16, and references to such term in the Programme Prospectus shall be construed accordingly;

Valuation Month means, in respect of Inflation Index Securities, each month specified as such in the applicable Final Terms and references in the Programme Prospectus to "Inflation Fixing Month" shall be construed to be references to "Valuation Month";

Valuation Time means (i) in respect of Index Securities, 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 Securityholders in accordance with Condition 11; (ii) in respect of Government Bond Securities, the close of trading on the Exchange or such other time as the Issuer may select in its absolute discretion and notify to Securityholders in accordance with Condition 11; (iii) in respect of Share Securities, the close of trading of the relevant Share on the Exchange; (iv) in respect of Certificate Securities, the official close of trading on the Exchange, unless otherwise specified in the

applicable Final Terms; or (v) in respect of any other underlying (except an underlying which is an Inflation Index or a Fund), the Valuation Time as specified in the applicable Final Terms;

References to **Closing Time** in the Final Terms shall be deemed to be references to Valuation Time.

Weight means, in relation to Cash Securities related to a Basket of Shares and in respect of each Share, the percentage or number specified as such in the definition of "Basket" in the applicable Final Terms.

Terms used but not defined in these Product Conditions shall have the meanings given to them in the Programme Prospectus.

4 Market Disruption Events and Adjustments

The following provisions shall constitute Market Disruption Events or, in the case of Fund Securities, Trigger Events, in addition to the relevant provisions set out in Condition 15 (as qualified below), and the Calculation Agent may make any adjustment to the Conditions or the Product Conditions or take any other action it considers to be necessary or desirable, acting in a commercially reasonable manner, to account for any such event:

4.1 In relation to Commodity Securities and in addition to the events specified in relation thereto in Condition 15, all of which shall automatically apply:

- (a) **Moratorium.** A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) **Price Source Disruption.** (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) the failure by the Exchange to announce or publish the price of the Commodity or Reference Asset (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange;
- (c) **Governmental Default.** With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) **Inconvertibility/non-transferability.** The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;

- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency;
- (j) De Minimis Trading. The number of Contracts traded on the Exchange with respect to the Commodity or Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity or Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Commodity or Reference Asset on the Exchange; and
- (k) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.2 In relation to Currency Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) it becomes impossible to obtain the Underlying FX Rate on the Valuation Date in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate or the

Underlying FX Rate, as the case may be, through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or the Strike Currency, as the case may be, or (ii) generally makes it impossible to deliver the Relevant Currency or the Strike Currency, as the case may be, from accounts in the country of the principal financial centre of the Relevant Currency or the Strike Currency, as the case may be, to accounts outside such jurisdiction or, the Relevant Currency or the Strike Currency, as the case may be, between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;

- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate or the Underlying FX Rate, as the case may be, or the Strike Currency for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; and
- (j) Other Events. Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.3 In relation to Fund Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;

- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; and
- (j) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.4 In relation to Government Bond Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. (i) it becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market, or (ii) the failure by the Exchange to announce or publish the price of the Reference Asset (or the information necessary for determining such price) or the temporary or permanent discontinuance or unavailability of such price by the Exchange;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of

authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;

- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency;
- (j) Trading Suspension. The material suspension of trading on the Exchange or any Related Exchange;
- (k) Disappearance of Price. The failure of trading to commence, or the permanent discontinuation of trading of the Reference Asset, on the Exchange;
- (l) Material Change in nature of or pricing method. The occurrence, since the Launch Date, of a material change in the basis for (including but not limited to the quantity, quality or currency), or method of, calculating the price of the Reference Asset;
- (m) Material Change in Content. The occurrence, since the Launch Date, of a material change in the content or composition of the Reference Asset;
- (n) De Minimis Trading. The number of Contracts traded on the Exchange with respect to the Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Reference Asset on the Exchange;
- (o) Tax Disruption. The imposition of, change in, or removal of, an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Reference Asset (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Launch Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Reference Asset on the Valuation Date and/or on each of the three Trading Days following the Valuation Date from what it would have been without that imposition, change or removal;

- (p) Trading Limitation. The material limitation imposed on trading in the Reference Asset with respect to it or any contract with respect to it on any exchange or principal trading market; and
- (q) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.5 In relation to Index Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;

- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; and
- (j) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.6 In relation to Share Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which any Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency, or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;

- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency; and
- (j) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.7 In relation to Inflation Index Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalization or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority;
- (f) Illiquidity. Any impossibility in obtaining a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Changes in Law: A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;
- (h) Imposition of Tax/Levy: The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;

- (i) Unavailability of Settlement Currency: The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency;
- (j) The Index Sponsor fails to calculate and announce the level of the relevant Inflation Index; and
- (k) Other Events. Any other event similar to any of the above which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

4.8 In relation to Certificate Securities:

- (a) Moratorium. A general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located or in the principal financial centre of the Relevant Currency;
- (b) Price Source Disruption. It becomes impossible to obtain the Relevant Currency Exchange Rate on any relevant date, in the inter-bank market;
- (c) Governmental Default. With respect to any security or indebtedness for money borrowed or guaranteed by any Governmental Authority, there occurs a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (i) the failure of timely payment in full of principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security or indebtedness for money borrowed or guarantee, (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee or (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security or indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security or indebtedness for money borrowed or guarantee;
- (d) Inconvertibility/non-transferability. The occurrence of any event which (i) generally makes it impossible to convert the currencies in the Relevant Currency Exchange Rate through customary legal channels for conducting such conversion in the principal financial centre of the Relevant Currency or (ii) generally makes it impossible to deliver the Relevant Currency from accounts in the country of the principal financial centre of the Relevant Currency to accounts outside such jurisdiction or, the Relevant Currency between accounts in such jurisdiction or to a party that a non-resident of such jurisdiction;
- (e) Nationalisation. Any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives this Issuer (or any of its Affiliates) of all or substantially all of its assets in the country of the principal financial centre of the Relevant Currency;
- (f) Illiquidity. It is impossible to obtain a firm quote for the Relevant Currency Exchange Rate for an amount which the Issuer considers necessary to discharge its obligations under the Securities;
- (g) Change in Law. A change in law in the country of the principal financial centre of the Relevant Currency which may affect the ownership in and/or the transferability of the Relevant Currency;

- (h) Imposition of Tax/Levy. The imposition of any tax and/or levy which is imposed in the country of the principal financial centre of the Relevant Currency;
- (i) Unavailability of Settlement Currency. The unavailability of the Settlement Currency in the country of the principal financial centre of the Relevant Currency, or where the Settlement Currency is the Relevant Currency, the unavailability of the Relevant Currency in the principal financial centre of any other applicable currency;
- (j) The occurrence or existence on any Trading Day during the one hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
 - (i) in the Underlying on the Exchange or any other exchange on which the Underlyings are traded; or
 - (ii) in any Contracts or other derivatives contracts relating to the Underlyings on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; and
- (k) Any other event similar to any of the above, which could make it impracticable or impossible for the Issuer to perform its obligations in relation to the Securities.

For the purposes of this Product Condition 4(8), a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

OTHER INFORMATION

Performance of the Reference Items

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

Return on the Expiration Date

Cash Amount

If cash settlement is selected in the applicable Final Terms, when the Securities are exercised, investors will receive the Cash Amount (if any) on the Settlement Date. Exercise of the Securities will, if so specified in the applicable Final Terms, be automatic, or otherwise be subject to receipt of a duly completed exercise notice.

The **Cash Amount** (which is always subject to a minimum of zero) is calculated as set out below.

- 1 In respect of a Security (other than a Security linked to a basket of shares or an inflation index) which is specified in the applicable Final Terms as a 'Call Warrant':

The **Cash Amount** is equal to:

the Call Return multiplied by the Entitlement, less Expenses (subject to a minimum of zero).

The **Call Return** is calculated as the Final Reference Price less the Strike Price.

If the Final Reference Price is less than or equal to the Strike Price or if the Call Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor. Subject thereto, the greater the Final Reference Price relative to the Strike Price, the greater the Cash Amount will be.

- 2 In respect of a Security (other than a Security linked to an inflation index) which is specified in the applicable Final Terms as a 'Put Warrant':

The **Cash Amount** is equal to either:

the Put Return multiplied by the Entitlement, less Expenses (subject to a minimum of zero).

The **Put Return** is calculated as the Strike Price less the Final Reference Price.

If the Strike Price is less than or equal to the Final Reference Price or if the Put Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor. Subject thereto, the greater the Final Reference Price relative to the Strike Price, the smaller the Cash Amount will be.

- 3 In respect of a Security linked to an inflation index:

The **Cash Amount** is equal to the Reference Price Return multiplied by the Entitlement, less Expenses.

The **Reference Price Return** means the positive percentage change in the Level of the inflation index from the Valuation Month in Year X to the Valuation Month in Year Y.

If the Reference Price Return multiplied by the Entitlement is less than or equal to the Expenses, then no payment will be made by the Issuer to an investor.

For the purposes of determining the Cash Amount:

Entitlement means, in respect of a Security, the number specified as such in the applicable Final Terms.

Expenses means, in respect of a Security, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise of such Security and/or (ii) any payment or delivery due following exercise or otherwise in respect of such Security.

Final Reference Price means (i) in respect of a Security linked to a Reference Item (other than an inflation index or a basket of shares), the level or price of each such Reference Item on the Valuation Date; and (ii) in respect of a Security linked to a basket of shares, the weighted sum of the share prices comprised in the basket on the Valuation Date.

Reference Items means each reference item specified in the applicable Final Terms which may be a commodity or related forward or futures contract, a currency, a fund, a forward or futures contract relating to one or more government bonds, a debt instrument, an index, an inflation index, a share (or a basket of shares), or a certificate.

Settlement Date means the date specified in the applicable Final Terms.

Strike Price means the price specified in the applicable Final Terms.

Valuation Date(s) means, in respect of Securities other than Securities relating to an inflation index, the exercise date, subject to adjustment.

Valuation Month means, in respect of a Security linked to an inflation index, each month specified as such in the applicable Final Terms.

Year X and **Year Y** mean, in respect of a Security linked to an inflation index, the years specified in the applicable Final Terms.

Physical Settlement

If physical settlement is selected in the applicable Final Terms, when the Securities are exercised, investors will receive on the Settlement Date the relevant number of shares in respect of each share issuer, subject to payment of any Expenses, pursuant to the terms and conditions of the Securities.

Expenses means, in respect of a Security, all taxes, duties and/or expenses (including trading costs) arising in connection with (i) the exercise of such Security and/or (ii) any payment or delivery due following exercise or otherwise in respect of such Security.

Other

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

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

Please note that the full terms and conditions contain provisions dealing with non-business days, disruptions and adjustments that may affect the Reference Items.

TAXATION

The following is a summary of the withholding tax position in the United Kingdom in respect of the Securities. It does not relate to any other tax consequences. Each Investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by or on behalf of the Issuer will be subject to any applicable withholding taxes of the United Kingdom. As at the date hereof no such withholding taxes would be applicable.

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

FORM OF FINAL TERMS

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

[Date]

The Royal Bank of Scotland plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number 90312)

[number] [underlying] [type of product] [Warrants]

[Indicative] Issue Price: [][]

under the Certificate and Warrant Programme

Terms used herein shall be deemed to be defined as such for the purposes of the base prospectus relating to Warrants dated 26 September 2008 (the "**Base Prospectus**") as supplemented as at the date hereof, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of each Series of the Warrants 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 Warrants described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and each supplementary prospectus are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> and copies may be obtained, free of charge, during normal business hours from the registered office of the Issuer and from the specified offices of each of the Certificate and Warrants Agents.

The terms and conditions applicable to the Securities are (1) the terms and conditions (the "**Conditions**") set out in the prospectus dated 26 September 2008 relating to the Issuer's Certificate and Warrant Programme (the "**Programme Prospectus**") and (2) the terms and conditions (the "**Product Conditions**") set out in the Base Prospectus (which incorporates by reference the provisions referred to in (1) above), as completed by these Final Terms. References to the Base Prospectus and the Programme Prospectus are to them as supplemented at the date of these Final Terms.

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

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

PART A – CONTRACTUAL TERMS

Clearing Agents:

[Euroclear Bank S.A./N.V.]

[Clearstream Banking, société anonyme]

[Euroclear UK and Ireland Limited]

[Other]

Launch Date: []

As, if and when issued trading: [] [Not Applicable]

Issue Date: []

Listing: []

Listing Date: []

Admission to trading: [Application has been made for the Securities to be admitted to trading on [the regulated market of the London Stock Exchange] with effect from [].] [No application for admission to trading has been made.]

Calculation Agent: []

[N.B. Only applicable if The Royal Bank of Scotland plc is not the Calculation Agent.]

COMMODITY SECURITIES

Series: [Commodity] [American][European] [Call][Put] Warrants Series []

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] [specify other]

Commodity: [Gold][Platinum][Silver][Other - specify]

Entitlement: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [As stated in Product Condition 3] [specify other]

Integral Multiple: []

Minimum Exercise Number: [] [Not Applicable]

Maximum Exercise Number: [] [Not Applicable]

Put Warrants: [Applicable][Not Applicable]

[Reuters Page][Bloomberg Page]: [specify]

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ [Other - specify]

Settlement Date: The [fifth] Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Valuation Time: [As per the Conditions][The time of the London [morning]¹ [daily]² fixing price for the Commodity][Other - specify]

Amendments to Conditions and/or Product Conditions: []
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

¹ For Gold and Platinum

² For Silver

ISIN: []
SEDOL: []
Other Securities Code: []

COMMODITY FORWARD CONTRACTS AND COMMODITY FUTURES CONTRACTS SECURITIES

Series: *[Commodity Futures] [Commodity Forward] [American] [European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

[Reuters Page][Bloomberg Page]: []

Entitlement: []

Exchange: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [As stated in Product Condition 3] *[specify other]*

Integral Multiple: []

Maximum Exercise Number: [] [Not Applicable]

Minimum Exercise Number: [] [Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Reference Asset: []

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The [fifth] Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Valuation Time: [As per the Conditions][The close of trading on the Exchange]

Amendments to Conditions and/or Product Conditions: []
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

CURRENCY SECURITIES

Series: *[Currency] [American][European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [] [Screen Page: Reuters Page EURO FX/1]

Integral Multiple: []

Minimum Exercise Number: [] [Not Applicable]

Maximum Exercise Number: [] [Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The *[fifth]* Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Underlying FX Rate: []

Valuation Time: [As per the Conditions]*[specify]*

Amendments to Conditions and/or Product Conditions: []
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

FUND SECURITIES

Series: *[Fund] [American][European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

Trigger Event Termination Amount: [Cash Settlement Amount]/[Fair market value]/[●]

Entitlement: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Integral Multiple: []

Final Reference Price: [As stated in Product Condition 3] *[specify other]*

Minimum Exercise Number: [] [[Not Applicable]

Maximum Exercise Number: [] [[Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Replacement Fund: [Applicable][Not Applicable]

Reference Asset: [] (ISIN: []; Bloomberg Page: [])

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The [fifth] Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Suspension Asset: [Applicable][Not Applicable]

Amendments to Conditions and/or Product Conditions: []

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

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code:

[]

GOVERNMENT BOND SECURITIES

Series: *[Government Bond] [American][European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: []

Integral Multiple: []

Minimum Exercise Number: [] [Not Applicable]

Maximum Exercise Number: [] [Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Reference Asset: [] (Bloomberg Page: [])

Bloomberg Page: []

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The [fifth] Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Amendments to Conditions and/or Product Conditions: []
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL []

Other Securities Code:

[]

INDEX SECURITIES

Series: *[Index] [American][European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

Entitlement: []

Exchange: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [As stated in Product Condition 3] *[specify other]*

Index: [] (Bloomberg Code: [])

Integral Multiple: []

Maximum Exercise Number: [] [Not Applicable]

Minimum Exercise Number: [] [Not Applicable]

Put Warrants: [Applicable][Not Applicable]

[Reuters Page][Bloomberg Page]: *[specify]*

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The [fifth] Business Day following the Valuation Date

Strike Currency: []

Strike Price: []

Amendments to Conditions and/or Product Conditions: []
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

SINGLE SHARE SECURITIES

Series: *[Single Stock] [American][European] [Call][Put] Warrants Series []*

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] *[specify other]*

Cash Settled Securities: [Applicable][Not Applicable]

Dividends: The fourth paragraph of Condition 4(C)(i) shall [not] apply

Entitlement: []

Exchange: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [As stated in Product Condition 3] *[specify other]*

Integral Multiple: []

Minimum Exercise Number: [] [Not Applicable]

Maximum Exercise Number: [] [Not Applicable]

Physical Delivery Securities: [Applicable][Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ *[Other - specify]*

Settlement Date: The [fifth] Business Day following the Valuation Date

Share: [ordinary] shares of the Share Company (ISIN: [])

Share Amount: [] [Not Applicable]

Share Company: []

Strike Currency: []

Strike Price: []

Amendments to Conditions and/or Product Conditions: []

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

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

SHARE BASKET SECURITIES

Series: [*Stock Basket*] [*American*][*European*] [*Call*][*Put*] Warrants Series []

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None][Change in Law][Insolvency Filing][Loss of Stock Borrow]

American Style: [Applicable][Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]

Basket:

Shares	Basket Company	ISIN	[Share Amount][Weight]
[]	[]	[]	[]

Call Warrants: [Applicable][Not Applicable]

Cash Amount: [As stated in Product Condition 1] [*specify other*]

Cash Settled Securities: [Applicable][Not Applicable]

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

Dividends: [Applicable][Not Applicable]

Entitlement: []

Exchange: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable][Not Applicable]

Final Reference Price: [As stated in Product Condition 3] [*specify other*]

Integral Multiple: []

Minimum Exercise Number: [] [Not Applicable]

Maximum Exercise Number: [] [Not Applicable]

Physical Delivery Securities: [Applicable][Not Applicable]

Put Warrants: [Applicable][Not Applicable]

Settlement Currency: []

Settlement Date: The [fifth] Business Day following the Valuation Date

Relevant Currency: [The Settlement Currency]/ [*Other - specify*]

Strike Currency: []

Strike Price: []

Amendments to Conditions and/or Product
Conditions: []

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

Amendments to the Offering Procedure for the
Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

INFLATION INDEX SECURITIES

Series: [Index] [American] [European] [Call] [Put] Warrants Series []

Issue Price: []

Number of Warrants being issued: []

Additional Market Disruption Events: [None] [Change in Law] [Insolvency Filing] [Loss of Stock Borrow]

American Style: [Applicable] [Not Applicable]

Automatic Exercise: [Automatic Exercise: Exercise Notice by Cut-Off Date] [Automatic Exercise: No delivery of Exercise Notice] [Not Applicable]

Call Warrants: [Applicable] [Not Applicable]

Cash Amount: [Entitlement x Max {(CPI_t/CPI₀)-1}, 0]

Where:

“CPI_t” = The Level for the Valuation Month in the year []

“CPI₀” = The Level for the Valuation Month in the year []

[specify other]

Entitlement: []

Exercise Time: [12.00 noon] Central European Time

Expiration Date: []

European Style: [Applicable] [Not Applicable]

Index: [[Index] published on a [monthly] [other] basis by the [insert Index Sponsor], as displayed on Bloomberg page: '[] <Index>' (or such other page as may replace that page, or such other information service as may be selected by the Calculation Agent, acting in its sole and absolute discretion, for the purpose of displaying the index)] [specify other]

Integral Multiple: []

Maximum Exercise Number: [] [Not Applicable]

Minimum Exercise Number: [] [Not Applicable]

Pricing Date(s): [] [Not Applicable]

Put Warrants: [Applicable] [Not Applicable]

Final Reference Price: [As stated in Product Condition 3] [specify other]

Settlement Currency: []

Relevant Currency: [The Settlement Currency]/ [Other - specify]

Strike Currency: []

Settlement Date: The earlier of (a) [] or (b) the [fifth] Business Day following the calculation and announcement of the Level for Valuation Month []

Strike Price: [] [Not Applicable]

Valuation Month(s): []

Amendments to Conditions and/or Product Conditions: []

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

Amendments to the Offering Procedure for the Securities: []

ISIN: []

SEDOL: []

Other Securities Code: []

CERTIFICATE SECURITIES

Series: *[Underlying] [American][European] [Call][Put] Warrants Series []*

Issue Price: *[]*

Number of Warrants being issued: *[]*

Additional Market Disruption Events: *[None][Change in Law][Insolvency Filing][Loss of Stock Borrow]*

American Style: *[Applicable][Not Applicable]*

Automatic Exercise: *[Automatic Exercise: Exercise Notice by Cut-Off Date][Automatic Exercise: No delivery of Exercise Notice][Not Applicable]*

Call Warrants: *[Applicable][Not Applicable]*

Cash Amount: *[As stated in Product Condition 1] [specify other]*

Clearing Agent: *[Specify]*

Entitlement: *[Specify]*

Exchange: *[Specify]*

Exercise Time: *[12.00 noon] Central European Time*

Expiration Date: *[Specify]*

European Style: *[Applicable][Not Applicable]*

Final Reference Price: *[As stated in Product Condition 3] [specify other]*

Integral Multiple: *[Specify]*

Issue Date: *[Specify]*

Launch Date: *[Specify]*

Listing Agent: *[Specify]*

Minimum Exercise Number: *[Specify][Not Applicable]*

Maximum Exercise Number: *[Specify][Not Applicable]*

Principal Agent: *[Specify]*

Put Warrants: *[Applicable][Not Applicable]*

Settlement Currency: *[Specify]*

Settlement Date: *The [fifth] Business Day following the Valuation Date*

Strike Currency: *[Specify]*

Relevant Currency: *[The Settlement Currency]/ [Other - specify]*

Strike Price: *[Specify]*

Underlying: *[Specify] (ISIN: []; Bloomberg Page: [])*

Valuation Time: *[As per the Conditions][specify]*

Amendments to Conditions and/or Product Conditions: *[Specify]*
(When making any such amendments consideration should be given to as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base

Prospectus under Article 16 of the Prospectus Directive)

Amendments to the Offering Procedure for the Securities: []

ISIN: [Specify]

SEDOL: [Specify]

Other Securities Code: [Specify]

PART B – OTHER INFORMATION

INFORMATION ON THE UNDERLYING

Subscription Period: [] [Not Applicable]

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

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.