



Exchange Traded Certificates

(Synthetic Structured Product)

Supplementary Product Disclosure Statement
9 September 2011 - RICI® EnhancedSM Indices
Commodity indices from Jim Rogers



Supplementary Product Disclosure Statement

Exchange Traded Certificates (Synthetic Structured Product) RICI® EnhancedSM Indices - Commodity indices from Jim Rogers

This document is a Supplementary Product Disclosure Statement ("SPDS") for the purposes of Part 7.9 of the Corporations Act. This SPDS supplements the Product Disclosure Statement dated 27 July 2011 ("PDS") issued by The Royal Bank of Scotland plc (ABN 30 101 464 528, AFSL: 241114) ("Issuer") titled "Exchange Traded Certificates - RICI® EnhancedSM Indices Commodity indices from Jim Rogers".

This SPDS is dated 9 September 2011.

Unless defined otherwise, capitalised terms in this SPDS have the same meaning as given to those terms in the PDS.

This SPDS is an important document which should be read and considered in its entirety, together with the PDS, before any decision is made to apply for, or acquire, Exchange Traded Certificates. Investors should reach an investment decision only after carefully reading and understanding this SPDS and the PDS and considering, with their advisers, the suitability of the Exchange Traded Certificates in light of their specific circumstances. This SPDS and the PDS are available from the Issuer at www.rbs.com.au/etc.

Amendments to the PDS effective 9 September 2011

Page 2 of PDS Part 1 - Summary Table of Exchange Traded Certificates

The PDS allows the Issuer the discretion to extend the offer periods or to open the offer or commence trading of the Exchange Traded Certificates on the ASX on dates other than those set out in the "Summary Table of Exchange Traded Certificates" on page 2 of PDS Part 1 without prior notice.

Pursuant to this discretion, the table set out on page 2 of PDS Part 1 titled "Summary Table of Exchange Traded Certificates" is deleted in its entirety and replaced with the following:

Summary Table of Exchange Traded Certificates

Issuer:	The Royal Bank of Scotland plc (ABN 78 000 862 797, AFSL: 247013)
Designated Distributor:	RBS Morgans Limited (ABN 49 010 669 726, AFSL: 235410)
Offer document:	PDS Part 1 dated 27 July 2011 and PDS Part 2 dated 27 July 2011 and SPDS dated 9 September 2011
Registrar:	Link Market Services Limited
Subscription Opens*:	27 July 2011
Subscription Closes*:	15 September 2011
Offer Opens*:	16 September 2011
Offer Closes*:	23 July 2021
Listing Date:	On or about 16 September 2011
Expiry Date:	25 August 2021

Other information

In all other respects, the PDS remains unaltered. Investors should reach an investment decision only after carefully reading and understanding this SPDS and the PDS and considering, with their advisers, the suitability of the Exchange Traded Certificates in the light of their specific circumstances. This SPDS is not investment advice.

of this SPDS or the PDS. The ASX makes no representation as to whether this SPDS or the PDS complies with the Corporations Act or the ASX Operating Rules.

Jurisdiction and selling restrictions

This SPDS and the PDS do not constitute an offer or invitation in relation to the Exchange Traded Certificates in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this SPDS and the PDS outside Australia may be restricted by the laws of places where it is distributed and, therefore, persons into whose possession this SPDS and the PDS comes should seek advice on, and observe, those restrictions. Failure to comply with relevant restrictions may violate those laws.

Status of this document

This SPDS is not required to be, and will not be, lodged with ASIC. ASIC does not take any responsibility for the contents of this SPDS or the PDS. The information provided in this SPDS and the PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. This SPDS is issued for the purposes of the Corporations Act. It is not a prospectus or other disclosure document under Chapter 6D of the Corporations Act. The ASX has not authorised or caused the issue of this SPDS or the PDS, and takes no responsibility for the contents

"Jim Rogers", "James Beeland Rogers, Jr.", "Rogers", "Rogers International Commodity Index", "RICI", "RICI Enhanced" and the names of all other RICI indices mentioned in this SPDS or the PDS ("Indices") are trademarks, service marks and/or registered trademarks of Beeland Interests, Inc., which is owned and controlled by James Beeland Rogers, Jr., and are used subject to license. The personal names and likeness of Jim Rogers/James Beeland Rogers, Jr. are owned and licensed by James Beeland Rogers, Jr.

Any Exchange Traded Certificates linked to one or more of the Indices is not sponsored, endorsed, sold or promoted by Beeland Interests, Inc. ("Beeland Interests"), James B. Rogers, Jr. or Diapason Commodities Management SA ("Diapason"). Neither Beeland Interests, James B. Rogers, Jr. nor Diapason makes any representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this description, or the advisability of investing in securities or commodities generally, or in any Exchange Traded Certificates linked to the Indices or in futures particularly.

Any Exchange Traded Certificates linked to one or more of the Indices is not and will not be offered or sold in the United States, or to or for the account of U.S. persons as defined by U.S. securities laws. Each purchaser of a financial instrument linked to one or more of the Indices will be asked to certify that such purchaser is not a U.S. person, is not receiving the Exchange Traded Certificates linked to one or more of the Indices in the United States, and is not acquiring any Exchange Traded Certificates linked to one or more of the Indices for the account of a U.S. person.

NEITHER BEELAND INTERESTS NOR DIAPASON, NOR ANY OF THEIR RESPECTIVE AFFILIATES OR AGENTS, GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE ROGERS INTERNATIONAL COMMODITY INDEX ("RICI"), THE RICI ENHANCED, INCLUDING ANY SUB-INDEX THEREOF, OR ANY DATA INCLUDED THEREIN. SUCH PERSON SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY OWNERS OF ANY EXCHANGE TRADED CERTIFICATE LINKED TO ONE OR MORE OF THE INDICES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE RICI, THE RICI ENHANCED, ANY SUB-INDEX THEREOF, ANY DATA INCLUDED THEREIN OR ANY EXCHANGE TRADED CERTIFICATE LINKED THERETO. NEITHER BEELAND INTERESTS, NOR DIAPASON, NOR ANY OF THEIR RESPECTIVE AFFILIATES OR AGENTS, MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE RICI, THE RICI ENHANCED, ANY SUB-INDEX THEREOF, AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE AFFILIATES OR AGENTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

Disclaimer

In preparing this SPDS, RBS has not taken into account the recipient's individual objectives, financial situation and needs. Before the recipient makes an investment decision in respect of Exchange Traded Certificates, the recipient should consider the appropriateness of any advice contained in this SPDS and the PDS to their objectives, financial situation and needs. RBS does not accept any liability or responsibility for, and makes no representation or warranty as to the affairs of any Reference Company or Reference Index (as applicable) included in this SPDS and the PDS. Recipients should obtain independent advice on the nature, activities and prospects of the Reference Companies and Reference Indices (as applicable) and the merits of an investment in any Exchange Traded Certificate. This SPDS and the PDS are the proprietary information of RBS, and may not be reproduced, distributed or published for any purpose without the prior written consent of RBS.

The Royal Bank of Scotland plc is a foreign Authorised Deposit-Taking Institution under the *Banking Act 1959* (Cth) and the Exchange Traded Certificates offered under this SPDS and the PDS do not form deposits or other funds of The Royal Bank of Scotland plc and The Royal Bank of Scotland plc does not stand in any way behind the capital value and/or performance of the Exchange Traded Certificates. Exchange Traded Certificates can be subject to investment risk, including possible delays in repayment and loss of income and principal invested.

No Reference Company, Reference Index, Relevant Exchange or Related Exchange has been a party to the preparation of this SPDS and the PDS or has furnished any information specifically to RBS for the purpose of their preparation. Similarly, information in this SPDS and the PDS concerning a Reference Company, Reference Index, Relevant Exchange or Related Exchange has not been independently verified.

No member of the RBS Group accepts any liability or responsibility for, or makes any representation or warranty, express or implied, as to the accuracy or completeness of any information about a Reference Company, Reference Index, Relevant Exchange or Related Exchange in this SPDS or the PDS. Investors should make their own enquiries about any relevant Reference Company, Reference Index, Relevant Exchange or Related Exchange.

No person is authorised by RBS to give any information to investors or make any representation not contained in this SPDS or the PDS.

This SPDS and the PDS are not an offer or invitation in relation to Exchange Traded Certificates in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this SPDS and the PDS outside Australia may be restricted by the laws of the places where it is distributed and, therefore, persons into whose possession this SPDS and the PDS comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. Exchange Traded Certificates have not been, and will not be, registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America or to a citizen or resident of the United States or to any other person within the definition of the term "US Person" (as defined in Exhibit I.1 attached to the PDS). A transferee of Exchange Traded Certificates or Reference Shares must not be (a) a U.S. Person; (b) a corporation which is not a U.S. Person in which U.S. Persons hold 10% or more of either voting power or value; (c) a partnership which is not a U.S. Person in which a U.S. Person is a partner, or (d) a trust which is not a U.S. Person whose grantor or any of whose beneficiaries is a U.S. Person. Except with the consent of RBS, neither the rights to any Exchange Traded Certificates nor the rights to any Reference Shares may be owned by, and any rights to any Exchange Traded Certificates or rights to any Reference Shares must not be sold, offered or transferred to, any of the persons enumerated in (a-d) above.

This SPDS is dated 10 September 2011 and has been prepared by RBS. This SPDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. RBS will notify ASIC that this SPDS is in use in accordance with section 1015D of the Corporations Act. ASIC and the ASX take no responsibility for the contents of this SPDS or the PDS or for the Exchange Traded Certificates.

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To find out more about the Exchange Traded Certificates,
log on to www.rbs.com.au/etc or call 1800 450 005.





Exchange Traded Certificates

RICI® EnhancedSM Indices Commodity indices from Jim Rogers

Product Disclosure Statement – Part 1
27 July 2011



Issuer

The Royal Bank of Scotland plc
ABN 30 101 464 528
AFSL: 241114

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AFSL: 235410

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Brisbane QLD 4000

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Part 1 of 2 – Key commercial terms

Date: 27 July 2011

This Product Disclosure Statement is provided in 2 parts:

**Part 1 – Key commercial terms (“Part 1 of 2”); and
Part 2 – General Information (“Part 2 of 2”),
(collectively referred to as “PDS”).**

PDS Part 1 – Summary information

This is Part 1 of this PDS for Exchange Traded Certificates. An Exchange Traded Certificate is a security that gives investors exposure to a Reference Index. Exchange Traded Certificates aim to track the performance of the Reference Index. An Exchange Traded Certificate is a structured product which, if admitted to trading status by the ASX, will be traded on the ASX.

A detailed explanation of Exchange Traded Certificates is contained in Section 2 of PDS Part 2.

This document is Part 1 of the PDS for the purposes of Part 7.9 of the Corporations Act and the ASX Operating Rules. Potential investors should read the entire PDS (that is, both Part 1 (“PDS Part 1”) and Part 2 (“PDS Part 2”) of this PDS), including the Terms, before making any investment decision in respect of Exchange Traded Certificates. All references to this PDS are references to the entire PDS, unless PDS Part 1 or PDS Part 2 is specified.

The Royal Bank of Scotland plc is a foreign Authorised Deposit-Taking Institution under the *Banking Act 1959* (Cth). The obligations of The Royal Bank of Scotland plc do not represent deposits or other funds of The Royal Bank of Scotland plc. The obligations of The Royal Bank of Scotland plc are unsecured obligations which (save for these obligations preferred by law) rank equally with all other unsecured obligations of The Royal Bank of Scotland plc, and in a winding up, you may not receive these amounts.

The key commercial terms of the Exchange Traded Certificates offered under this PDS including the ASX Code, Reference Index, Multiplier, Maximum Issue Size, Rolling Date(s), Management Fee Rate, Dividend Fee, Settlement Exchange Rate, Expiry Date and Minimum Subscription are set out in this PDS Part 1.

For each Series of Exchange Traded Certificates, PDS Part 1 contains specific information about the Series of Exchange Traded Certificates offered under the PDS and PDS Part 2 constitutes the general terms and conditions that govern the issue of Exchange Traded Certificates issued by The Royal Bank of Scotland plc (“RBS”) from time to time.

PDS Part 1 should be read and construed in conjunction with PDS Part 2 for each Series of Exchange Traded Certificates. To the extent of any inconsistency between PDS Part 1 and PDS Part 2, PDS Part 1 prevails.

No person is authorised by the Issuer to give any information or to make any representations not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by, or on behalf of, the Issuer. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of the Exchange Traded Certificates.

Capitalised terms in this PDS are defined in Section 9 “Glossary” of PDS Part 2.

Summary Table of Exchange Traded Certificates

Issuer:	The Royal Bank of Scotland plc (ABN 30 101 464 528, AFSL: 241114)
Designated Distributor:	RBS Morgans Limited (ABN 49 010 669 726, AFSL: 235410)
Offer document:	PDS Part 1 dated 27 July 2011 and PDS Part 2 dated 27 July 2011
Registrar:	Link Market Services Limited
Subscription Opens*:	27 July 2011
Subscription Closes*:	24 August 2011
Offer Opens*:	25 August 2011
Offer Closes*:	23 July 2021
Listing Date:	On or about 25 August 2011
Expiry Date:	25 August 2021

Exchange Traded Certificates in a Series will be first issued on the Listing Date (as defined in the Glossary in Section 9 of PDS Part 2). Applications may be lodged at any time after 9:00am on the date the Offer Opens, up until the date of the Offer Closes, as set out above, subject to the right of RBS to close the issue earlier.

No Exchange Traded Certificate in a Series will be issued on the basis of the PDS later than the last Business Day before the Expiry Date of the Exchange Traded Certificates offered under this PDS.

* RBS reserves the right to close the offer of any or all Series of Exchange Traded Certificates on an earlier date without prior notice. RBS also reserves the right to extend the offer periods beyond this date or to open the offer or commence trading of Exchange Traded Certificates on the ASX on dates other than as set out above.

Details – Reference Indices offered under this PDS

ASX Code	Reference Index	Reference Index Website	Maximum Issue Size	Multiplier	Placement Fee ¹	Management Fee Rate	Rolling Date(s)	Expiry Date	Settlement Exchange Rate ²	Minimum Subscription	Price Source	Relevant Exchange	Relevant Index Code
RBSRIA	RICI® Enhanced SM Agriculture Index (USD) TR	www.rbs.com.au/etc	10,000,000	0.001	Up to 2.2% (GST incl.)	0.825% p.a. (GST incl.)	N/A	25 Aug 2021	1	\$5,000	The Royal Bank of Scotland N.V	N/A	RIEHA
RBSRIM	RICI® Enhanced SM Metals Index (USD) TR	www.rbs.com.au/etc	10,000,000	0.001	Up to 2.2% (GST incl.)	0.825% p.a. (GST incl.)	N/A	25 Aug 2021	1	\$5,000	The Royal Bank of Scotland N.V	N/A	RIEHM
RBSRIE	RICI® Enhanced SM Energy Index (USD) TR	www.rbs.com.au/etc	10,000,000	0.001	Up to 2.2% (GST incl.)	0.825% p.a. (GST incl.)	N/A	25 Aug 2021	1	\$5,000	The Royal Bank of Scotland N.V	N/A	RIEHE
RBSRIL	RICI® Enhanced SM Agriculture ex-Livestock Index (USD) TR	www.rbs.com.au/etc	10,000,000	0.001	Up to 2.2% (GST incl.)	0.825% p.a. (GST incl.)	N/A	25 Aug 2021	1	\$5,000	The Royal Bank of Scotland N.V	N/A	RIEAEL
RBSRIG	RICI® Enhanced SM Global Index (USD) TR	www.rbs.com.au/etc	10,000,000	0.001	Up to 2.2% (GST incl.)	0.825% p.a. (GST incl.)	N/A	25 Aug 2021	1	\$5,000	The Royal Bank of Scotland N.V	N/A	RIEHL

¹ RBS Group entities may pay a fee or commission (including, without limitation, some or all of the Placement Fee) in relation to the Exchange Traded Certificates to the Designated Distributor (if applicable) or to certain intermediaries involved in the issue or distribution of Exchange Traded Certificates.

² The Settlement Exchange Rate for this Series will remain fixed over the investment term

Further information in respect of the Reference Indices, including risks specific to the Reference Indices, is set out below.

RICI® EnhancedSM Agriculture Index (USD) TR

The RICI® EnhancedSM Agriculture Index (USD) TR aims to provide exposure to a broad universe of 20 agricultural commodities, including grains, oilseed, fibre, livestock and soft commodities. The investment in each commodity is achieved by considering liquidity, seasonality/cyclicality and the shape of the futures curve, with the aim of delivering an improved risk-adjusted return in comparison to conventional commodity indices.

For further information about this Reference Index, including information about its historical performance and pricing information, investors can visit the Reference Index's website at www.rbs.com.au/ etc. Investors should note that information on this website is subject to change.

RICI® EnhancedSM Metals Index (USD) TR

The RICI® EnhancedSM Metals Index (USD) TR aims to provide exposure to a broad universe of 10 precious and industrial metal commodities. The investment in each commodity is achieved by considering liquidity, seasonality/cyclicality and shape of the futures curve, with the aim of delivering an improved risk-adjusted return in comparison to conventional commodity indices.

For further information about this Reference Index, including information about its historical performance and pricing information, investors can visit the Reference Index's website at www.rbs.com.au/ etc. Investors should note that information on this website is subject to change.

RICI® EnhancedSM Energy Index (USD) TR

The RICI® EnhancedSM Energy Index (USD) TR aims to provide exposure to the oil and gas (natural gas, gasoline, heating oil and gas oil) commodity markets. The investment in each commodity is achieved by considering liquidity, seasonality/cyclicality and shape of the futures curve, with the aim of delivering an improved risk-adjusted return in comparison to conventional commodity indices.

For further information about this Reference Index, including information about its historical performance and pricing information, investors can visit the Reference Index's website at www.rbs.com.au/ etc. Investors should note that information on this website is subject to change.

RICI® EnhancedSM Agriculture ex-Livestock Index (USD) TR

The RICI® EnhancedSM Agriculture ex-Livestock Index (USD) TR aims to provide investors with access to a wide range of agricultural commodities without providing exposure to livestock commodities. The investment in each underlying agriculture component except livestock is achieved by considering liquidity, seasonality/cyclicality and shape of the futures curve. The Reference Index is a composite total return commodity index.

For further information about this Reference Index, including information about its historical performance and pricing information, investors can visit the Reference Index's website at www.rbs.com.au/ etc. Investors should note that information on this website is subject to change.

RICI® EnhancedSM Global Index (USD) TR

The RICI® EnhancedSM Global Index (USD) TR is a composite total return commodity index designed to enable investors to benefit from the scarcity of commodities, the commodity cycles, convenience yields and roll returns. The Reference Index is maintained and reviewed by the members of the RICI® EnhancedSM Index Committee.

For further information about this Reference Index, including information about its historical performance and pricing information, investors can visit the Reference Index's website at www.rbs.com.au/ etc. Investors should note that information on this website is subject to change.

Benefits of investing in ETCs over the RICI® EnhancedSM family of indices

- Portfolio diversification - historically commodity prices have a low to negative correlation with equity and bond prices. This means that circumstances which cause a large movement in equity and bond prices are unlikely to cause a similarly large movement in commodity prices.
- The RICI® EnhancedSM family of indices represents a broad commodity exposure. Commodity weightings are based on the costs of commodities in people's everyday lives. The indices are annually re-weighted by members of the RICI® EnhancedSM Index Committee.
- Investors can get exposure to indices which consider liquidity, seasonality, spot and commodity futures prices with the aim of delivering a risk-adjusted return when compared to conventional commodity indices.
- Allows upside participation of commodity prices.

Specific Reference Index risk factors

Proprietary and rules-based trading Reference Indices

The RICI® EnhancedSM family of indices follows a notional rules based proprietary trading strategy that operates on the basis of pre-determined rules. Accordingly, potential investors in Exchange Traded Certificates over such indices should determine whether those rules are appropriate in light of their individual circumstances and investment objectives.

No assurance can be given that the strategy employed by the Sponsor will be successful, generate positive returns, outperform any benchmark or other indices or that the return on the Reference Indices will be as projected or estimated by the Sponsor.

An investment in an Exchange Traded Certificate related to a Reference Index may not be a suitable investment for all investors

Exchange Traded Certificates over the RICI® EnhancedSM family of indices are complex financial instruments and may be purchased as a way for you to incur particular market exposures with an appropriate addition of risk to your overall portfolio. You should not invest in Exchange Traded Certificates unless you have the expertise to evaluate how an Exchange Traded Certificate may perform under changing conditions, the resulting effects on the value of Exchange Traded Certificates and the impact Exchange Traded Certificates may have on your overall investment portfolio.

No recourse to assets

The RICI® EnhancedSM family of indices is purely synthetic. The exposure to components of these indices is purely notional and will exist only in the records held by the Sponsor. There are no assets or components in which any person investing in Exchange Traded Certificates has any ownership interest or which serve as collateral for any Exchange Traded Certificate.

Simulated operating history

The RICI® EnhancedSM family of indices was first calculated on, or around, 31 October 2007 and, therefore, lacks historical performance prior to this date.

Past performance should not be considered indicative of future performance.

Amendment or modification to the Reference Index rules

The RICI® EnhancedSM family of indices rules may be amended, modified or adjusted from time to time by the Calculation Agent and/or the Sponsor. Any such amendment may be made without the consent, of or notice to, investors in Exchange Traded Certificates linked to these Reference Indices and may have an adverse effect on the level of these Reference Indices.

Sponsor

The Sponsor of the RICI® EnhancedSM family of indices is Beeland Interest, Inc.

Sponsor discretion

The RICI® EnhancedSM family of indices confers on the Sponsor discretion in making certain determinations, calculations and corrections from time to time. The exercise of such discretion in the making of calculations, determinations and corrections may adversely affect the performance of the Reference Index. The Sponsor shall determine in its sole and absolute discretion whether any such corrections shall apply retrospectively or from the relevant date forward.

Commodity markets risk

The value of commodities is volatile and subject to market conditions. For example, 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. Additionally, commodity prices can be influenced by the prevailing political climate and government stability in commodity producing nations. Current market conditions for a commodity do not guarantee the performance, demand or supply of that commodity in the future.

Calculation Agent

The Royal Bank of Scotland plc has contracted with Standard & Poor's to maintain and calculate the RICI® EnhancedSM family of indices. Standard & Poor's shall have no liability for any errors or omissions in calculating these indices. Standard & Poor's is a trademark of The McGraw-Hill Companies, Inc.

Termination of Reference Index

The RICI® EnhancedSM family of indices may be terminated at any time by the Sponsor. Should these Reference Indices cease to exist, this may constitute an Extraordinary Event and may have a negative impact on the return on any investment in an Exchange Traded Certificate related to the Reference Index.

References in this PDS to each Reference Index in the Summary Table are included solely for the purposes of identification of the Reference Index. These references are not an express or implied endorsement by RBS or the ASX of the Reference Indices.

Further information on each Reference Index in the Summary Table can be found at the website for the relevant Reference Index.

Many of the variables stated in the Summary Table of Exchange Traded Certificates above are subject to adjustment in accordance with the Terms of the Exchange Traded Certificates. Also, if additional Exchange Traded Certificates in a Series are admitted to trading status by the ASX upon the application of RBS, the Maximum Issue Size under the PDS may increase.

The Reference Indices which are proprietary indices of the RBS Group are calculated by reference to methodologies developed by, and determinations by, RBS. Details of the methodologies in respect of each Reference Index are available for inspection by a Holder at the offices of RBS in Sydney, Australia. An appointment to inspect this information may be made by calling 1800 450 005. Given the proprietary nature of the information, it is a condition of inspection that the Holder must first execute a confidentiality agreement in a form acceptable to RBS, to protect the confidentiality of the information.

About RBS

The RBS Group is a large international banking and financial services group. Headquartered in Edinburgh, the RBS Group operates in the United Kingdom, Europe, the Middle East, the Americas and the Asia-Pacific region, serving over 30 million customers. The RBS Group provides a wide range of products and services to personal, commercial and large corporate and institutional customers through its principal subsidiaries, The Royal Bank of Scotland and NatWest, as well as through a number of other well-known brands, including Citizens, Charter One, Ulster Bank, Coutts, Direct Line and Churchill.

In the Asia-Pacific region, the RBS Group serves corporate, institutional and public sector clients in 11 countries and is a leading provider of corporate and financial services. The RBS Group has had a local presence since 1974 and has worked on some of the local market's largest and most complex transactions and projects for the RBS Group's corporate, institutional and public sector clients.

RBS is a public limited company incorporated in Scotland with registration number SC090312. RBS is regulated by the Financial Services Authority in the United Kingdom and has registered with ASIC as a foreign company with ABN 30 101 464 528. RBS' registered office in Australia is provided in the Directory at the beginning of each of PDS Part 1 and PDS Part 2.

As at 31 December 2010, RBS had net assets of GBP 57.607 billion. This figure is updated from time to time at www.rbs.com.au/warrants.

The value of the Exchange Traded Certificates and the ability of RBS to meet its obligations in respect of the Exchange Traded Certificates depends on, among other things, the financial performance of RBS. The obligations of RBS are unsecured obligations which (save for those obligations preferred by law) rank equally with all other unsecured obligations of RBS.

Financial information for the RBS Group is available at www.investors.rbs.com, however, please note that no other RBS Group entity is guaranteeing the obligations of RBS in respect of this Series of Exchange Traded Certificates and, therefore, any financial information regarding other RBS Group entities is not directly relevant to your decision whether or not to invest in the Exchange Traded Certificates. You should instead focus on the financial information relating to RBS itself and not the RBS Group.

Holders must make their own assessment of RBS' ability to meet its obligations in respect of the Exchange Traded Certificates. Additional information can be located at the global website, www.rbs.com, or the Australian website, www.rbs.com.au.

About the Designated Distributor

RBS Morgans Limited (ABN: 49 010 669 726 , AFSL: 235410) ("**RBS Morgans**") is the Designated Distributor for this Series of Exchange Traded Certificates and will co-ordinate your investment during the Subscription Period.

RBS Morgans can be contacted on 1800 664 411 or, alternatively, you can locate your nearest RBS Morgans' adviser at www.rbsmorgans.com.

RBS Morgans

Other information

To the knowledge of RBS, no circumstance has arisen, and no other information has become, available since the date of the PDS that would materially affect an investor's assessment of RBS's capacity to fulfill the obligations specified in the Terms, or the risks, rights and obligations associated with the Exchange Traded Certificates.

Information in this PDS may change from time to time. Information regarding Exchange Traded Certificates that is not materially adverse may be updated by placing such information on the website of RBS at www.rbs.com.au/etc. A paper copy of this information is also available free of charge on request from RBS.

Status of this document

This PDS is issued for the purposes of the Corporations Act. It is not a prospectus or other disclosure document under Chapter 6D of the Corporations Act. The ASX has not authorised or caused the issue of this PDS, and takes no responsibility for the contents of this PDS. The ASX makes no representation as to whether this PDS complies with the Corporations Act or ASX Operating Rules.

Further information

RBS and its related entities may conduct transactions as principal and as agent in various securities, including Exchange Traded Certificates and in respect of the assets which are represented in a Reference Index, or derivatives which relate to such Reference Indices. To facilitate a market in Exchange Traded Certificates, RBS may issue Exchange Traded Certificates to a broker or nominee, and may later procure the sale of these into the market. These trading activities may affect (positively or negatively) the price at which the Exchange Traded Certificates trade in the secondary market.

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The Royal Bank of Scotland plc is a foreign Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth) and the Exchange Traded Certificates offered under this PDS do not form deposits or other funds of The Royal Bank of Scotland plc and The Royal Bank of Scotland plc does not stand in any way behind the capital value and/or performance of the Exchange Traded Certificates. Exchange Traded Certificates can be subject to investment risk, including possible delays in repayment and loss of income and principal invested.

No Reference Company, Reference Index, Relevant Exchange or Related Exchange has been a party to the preparation of this PDS or has furnished any information specifically to RBS for the purpose of its preparation. Similarly, information in this PDS concerning a Reference Company, Reference Index, Relevant Exchange or Related Exchange has not been independently verified.

No member of the RBS Group accepts any liability or responsibility for, or makes any representation or warranty, express or implied, as to the accuracy or completeness of any information about a Reference Company, Reference Index, Relevant Exchange or Related Exchange in this PDS. Investors should make their own enquiries about any relevant Reference Company, Reference Index, Relevant Exchange or Related Exchange.

No person is authorised by RBS to give any information to investors or make any representation not contained in this PDS.

This PDS is not an offer or invitation in relation to Exchange Traded Certificates in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of the places where it is distributed and therefore persons into whose possession this PDS comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. Exchange Traded Certificates have not been, and will not be, registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America or to a citizen or resident of the United States or to any other person within the definition of the term "US Person" (as defined in Exhibit I.1 attached to this PDS).

A transferee of Exchange Traded Certificates or Reference Shares must not be (a) a U.S. Person; (b) a corporation which is not a U.S. Person in which U.S. Persons hold 10% or more of either voting power or value; (c) a partnership which is not a U.S. Person in which a U.S. Person is a partner, or (d) a trust which is not a U.S. Person whose grantor or any of whose beneficiaries is a U.S. Person. Except with the consent of RBS, neither the rights to any Exchange Traded Certificates nor the rights to any Reference Shares may be owned by, and any rights to any Exchange Traded Certificates or rights to any Reference Shares must not be sold, offered or transferred to, any of the persons enumerated in (a-d) above.

This PDS Part 1 is dated 27 July 2011 and has been prepared by RBS. This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. RBS will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act. ASIC and the ASX take no responsibility for the contents of this PDS or for the Exchange Traded Certificates.

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To find out more about the Exchange Traded Certificates,
Log on to www.rbs.com.au/etc or call 1800 450 005





Exchange Traded Certificates

RICI® EnhancedSM Indices Commodity indices from Jim Rogers

Product Disclosure Statement – Part 2
27 July 2011



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Issuer

This PDS Part 2 is dated 27 July 2011 and has been prepared and is issued by The Royal Bank of Scotland plc (ABN 30 101 464 528) ("Issuer"). The Issuer holds an Australian financial services licence ("AFSL") No. 241114.

Definitions

The meanings of all capitalised terms used in this PDS are explained in Section 9 "Glossary" of PDS Part 2.

Preparation of PDS

This PDS has been prepared by the Issuer from publicly available information only. The issuers or Sponsors of the Reference Shares and Reference Indices have not been a party to its preparation or furnished any information specifically to the Issuer for the purpose of its preparation. Similarly, information in this PDS concerning the Reference Shares or Reference Indices (or any components that comprise the Reference Indices) has not been independently verified by the Issuer, and the Issuer will not be held responsible for any inaccuracies.

Except as set out in this PDS, neither the Issuer nor any RBS Group entity has any affiliation with the Reference Shares and Reference Indices or their issuers or Sponsors and have no access to information concerning the Reference Shares and Reference Indices or their issuers or Sponsors or, where applicable, their subsidiaries, other than that which is in the public domain.

Neither the Issuer nor any RBS Group entity accepts any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy, adequacy, reliability, reasonableness or completeness of any information about the issuers or Sponsors of the Reference Shares and Reference Indices (or the components that comprise the Reference Indices) in this PDS. Potential investors should make their own enquiries about the Reference Shares and Reference Indices (and any components that comprise the Reference Indices) as well as their issuers or Sponsors.

The contents of PDS Part 1 and PDS Part 2 are correct as at the dates of PDS Part 1 and PDS Part 2. There may be changes in the affairs of the issuers or Sponsors of the Reference Shares and Reference Indices (or the components that comprise the Reference Indices) since the dates as at which information is given in this PDS. Please refer to "Updated Information", below, for further information.

Potential conflicts of interest

The Issuer and any RBS Group entity or their affiliates may currently, or from time to time in the future, engage in business as principal and agent with the issuers or Sponsors of the Reference Shares and Reference Indices. Companies in the RBS Group will conduct transactions as principal and as agent in various securities, including Exchange Traded Certificates, the Reference Shares and the Reference Indices (and any components that comprise the Reference Indices).

The Issuer and any RBS Group entity and their affiliates are providers of investment banking and broking services, and may currently or in the future from time to time act as an advisor or broker to one or more of the issuers or Sponsors of the Reference Shares and Reference Indices for which they may receive fees or commissions.

These activities may have an adverse effect on the value of the Reference Shares and Reference Indices and, therefore, the value of the Exchange Traded Certificates.

RBS has a conflict of interest policy to ensure that it identifies and appropriately manages all conflicts of interest. RBS's conflicts of interest policy relates to its monitoring, prevention and other compliance measures related to the management of conflicts of interest. At all times, RBS attempts to prevent or manage conflicts of interest in accordance with its policy.

Description of the Reference Shares and Reference Indices

The rights and liabilities attaching to the Reference Shares and Reference Indices are set out in the offer/disclosure document(s) (if any) and the constituent documents of the respective Reference Shares and Reference Indices. Potential investors may obtain a copy of these documents by contacting the respective issuer or Sponsor of the Reference Shares and Reference Indices.

No representation

Nothing in this PDS is, or may be relied upon as, a representation or promise as to the financial performance of the Exchange Traded Certificates, Reference Shares or Reference Indices or the business or financial affairs of the Issuer.

No person is authorised by the Issuer to give any information to potential investors or make any representation or warranty not contained in this PDS.

Jurisdiction

This PDS is not an offer or invitation in relation to Exchange Traded Certificates in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and, therefore, persons into whose possession this PDS comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

Exchange Traded Certificates have not been, and will not be, registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America or to a citizen, or resident of, or entity created under the laws of, the United States of America or to any other person or entity within the definition of the term "US Person" under Regulation S, promulgated under the Securities Act 1933.

A transferee of Exchange Traded Certificates must not be (a) a U.S. Person; (b) a corporation which is not a U.S. Person in which U.S. Persons hold 10% or more of either voting power or value; (c) a partnership which is not a U.S. Person in which a U.S. Person is a partner; or (d) a trust which is not a U.S. Person whose grantor or any of whose beneficiaries is a U.S. Person. Except with the consent of the Issuer, none of the rights to any Exchange Traded Certificates may be owned by, and any rights to any Exchange Traded Certificates must not be sold, offered or transferred to, any of the persons enumerated in (a-d) above.

Please refer to Section 9 "Glossary" of this PDS Part 2 for the definition of "U.S. Person".

Updated information

Information set out in this PDS is subject to change from time to time. Information not materially adverse to investors in the Exchange Traded Certificates may be amended without issuing an updated or supplementary PDS. Investors can find this updated information at any time on www.rbs.com.au/etc.

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting the Issuer on 1800 450 005.

No personal advice

None of the Issuer or its affiliates and their directors, officers, employees or advisors makes any recommendation as to the suitability of the Exchange Traded Certificates for any holder or make any representation or give any assurance as to the performance of the Exchange Traded Certificates or any particular rate of overall return. This PDS does not contain personal investment or taxation advice.

You should seek your own financial, taxation and investment advice before investing in the Exchange Traded Certificates. Before making an investment on the basis of this PDS, you should consider, in conjunction with your financial and taxation advisors, whether an investment in the Exchange Traded Certificates is appropriate in view of your particular investment needs, objectives, financial and taxation circumstances. It is important that you read the entire PDS (i.e. both PDS Part 1 and PDS Part 2) before making any decision to invest in the Exchange Traded Certificates.

Risk factors

In considering whether or not to invest in the Exchange Traded Certificates, it is important that you consider the risk factors that could affect the financial performance of your investment. **The main risk factors that the Issuer thinks investors should consider are referred to in Section 4 “Risk factors” of this PDS Part 2.**

Counterparty Risk

The Exchange Traded Certificates are unsecured obligations of the Issuer. The Issuer may not be able to meet its obligations under the Exchange Traded Certificates. Please see Section 4 “Risk factors” in this PDS Part 2 in relation to counterparty risk.

These obligations are unsecured contractual obligations of RBS and, in the event of an insolvency of RBS, Holders will rank equally with RBS's other unsecured creditors. RBS's obligations in respect of the Exchange Traded Certificates are not guaranteed by any party.

Investors must make their own assessment of RBS's ability to meet its obligations in respect of the Exchange Traded Certificates.

Financial information for the RBS Group is available at www.investors.rbs.com, however, please note that no entity is guaranteeing the Exchange Traded Certificates and therefore any financial information regarding other RBS Group entities is not directly relevant to your decision whether or not to invest in Exchange Traded Certificates. You should instead focus on the financial information relating to RBS.

A Holder takes the credit risk and counterparty risk that RBS will not be able to or will not continue to perform its obligations owed

to Holders under this PDS. For example, RBS's obligations include but are not limited to the market making obligations in respect of the Exchange Traded Certificates. If RBS is not able to perform any of its obligations in a timely fashion and in accordance with the provisions of this PDS, it may affect the value of the Exchange Traded Certificates.

No cooling off

Please note that cooling off rights do not apply in respect of an investment in the Exchange Traded Certificates.

Ethical considerations

The Issuer does not take into account any labour standards or environmental, social or ethical considerations in the selection, retention or realisation of any element of the Exchange Traded Certificates.

Reference Shares and Reference Indices may or may not take into account any labour standards or social, environmental or ethical considerations. Should a potential investor wish to know whether the Reference Shares and Reference Indices take into account these factors, potential investors should make their own enquiries of the relevant Reference Shares and Reference Indices.

Please refer to the relevant Reference Shares and Reference Indices offer/disclosure document or to any other information issued by the relevant Reference Shares, Reference Indices or Sponsor.

Status of this document

This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC.

This is a PDS for the purposes of the ASX Operating Rules.

The Issuer will notify ASIC that this PDS is in-use in accordance with section 1015D of the Corporations Act. ASIC and the ASX take no responsibility for the contents of this PDS.

Electronic copy

If you have accessed an electronic version of this PDS, the Issuer will send a paper copy of the PDS to you free of charge upon request by calling 1800 450 005.

Nature of the Exchange Traded Certificates

The Exchange Traded Certificates are “securities” under the Corporations Act.

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Part 2 of 2 – General information

1. Summary information

Date: 27 July 2011

This Product Disclosure Statement is provided in 2 parts:

Part 1 – Key commercial terms (“Part 1 of 2”); and

Part 2 – General Information (“Part 2 of 2”),

(collectively referred to as “PDS”).

This is part 2 of this PDS for Exchange Traded Certificates. This PDS Part 2 should be read and construed in conjunction with PDS Part 1 for each Series of Exchange Traded Certificates. Potential investors should read the entire PDS (that is, both Parts 1 and 2 of this PDS), including the Terms, before making any investment decision in respect of Exchange Traded Certificates.

The key commercial terms of the Exchange Traded Certificates offered under this PDS including the ASX Code, Reference Share or Reference Index (as applicable), Multiplier, Maximum Issue Size, Rolling Date(s), Management Fee Rate, Dividend Fee, Settlement Exchange Rate, Expiry Date and Minimum Subscription are set out in PDS Part 1 for this Series of Exchange Traded Certificates. For each Series of Exchange Traded Certificates, a separate PDS Part 1 will be issued and must be read in conjunction with this PDS Part 2.

Part 2 of this PDS constitutes the general terms and conditions that govern the issue from time to time by RBS of Exchange Traded Certificates.

2. Exchange Traded Certificates at a glance

This is only a summary of the main features of the Exchange Traded Certificates. Potential investors should read the entire PDS (that is, Parts 1 and 2 of this PDS), including the Terms (see Section 10 of this PDS Part 2), before making any investment decision. If there is any conflict between this Section 2 and the Terms, the Terms prevail.

Exchange Traded Certificates aim to track the performance of Reference Shares and Reference Indices. Exchange Traded Certificates give Australian investors access to the performance of Reference Shares and Reference Indices via trading through the Australian Securities Exchange (ASX).

2.1 What is an Exchange Traded Certificate?

An Exchange Traded Certificate is a structured product which, upon admission to trading status, will be able to be traded on the ASX.

An Exchange Traded Certificate is a security that gives you an exposure to individual Reference Shares traded on Relevant Exchanges or to Reference Indices. An Exchange Traded Certificate is also a “Structured Product” as that term is defined in the ASX Operating Rules.

An Exchange Traded Certificate over a Reference Share gives an investor the right, upon Exercise of the Exchange Traded Certificate, to have Reference Shares delivered to the investor on the Completion Date (the number of Reference Shares per Exchange Traded Certificate will be equal to the Multiplier) or to be paid the Cash Amount calculated by reference to the value of the Reference Share and the Multiplier. An Exchange Traded Certificate over a Reference Index gives an investor the right, upon Exercise of the Exchange Traded Certificate, to be paid on the relevant Completion Date a Cash Amount calculated by reference to the value of the Reference Index, the Settlement Exchange Rate and the Multiplier. The value of an Exchange Traded Certificate will also be affected by Expenses (including the Management Fee), details of which are set out in Section 5 of this PDS Part 2.

As an integral part of the arrangement, each Holder of an Exchange Traded Certificate also receives a Beneficial Interest in the Nominee Securities that will be held for each Holder from time to time by the Nominee.

Exchange Traded Certificates are ordinarily denominated in Australian Dollars but Reference Shares may be denominated in another currency.

Although Exchange Traded Certificates are described as “certificates”, you should be aware that if you purchase an Exchange Traded Certificate you will not receive a physical certificate rather, your Exchange Traded Certificate will be held through CHESS alongside other local equity holdings. CHESS facilitates

uncertificated holdings and the paperless or electronic transfer of legal title to financial products traded on ASX.

2.2 Who is the issuer of the Exchange Traded Certificates?

The issuer of the Exchange Traded Certificates is The Royal Bank of Scotland plc (RBS). Please refer to Section 8 of this PDS Part 2 for further information about RBS.

2.3 What are the Reference Shares and the Reference Indices?

Exchange Traded Certificates are available in respect of the Reference Shares and Reference Indices, as set out in the Summary Table in Part 1 of the PDS.

Further information in respect of Reference Shares and Reference Indices can be found on the websites of the Relevant Exchanges and Reference Companies.

2.4 How can I purchase Exchange Traded Certificates?

You can purchase Exchange Traded Certificates in up to three (3) ways, depending on what is offered under the PDS for the relevant Series:

- a. via the Designated Distributor (if applicable) authorised by RBS during the Subscription Period under this PDS (if applicable), details of which are set out in PDS Part 1;
- b. directly from RBS during the Offer Period under this PDS, details of which are set out in PDS Part 1; or
- c. through the secondary market, via trading on ASX, after the Listing Date.

2.5 What is the difference between buying an Exchange Traded Certificate during the Subscription Period (if applicable), the Offer Period or buying it on the secondary market offered by ASX?

Buying an Exchange Traded Certificate during the Subscription Period (if applicable) or the Offer Period ensures that you can buy your Exchange Traded Certificate at the Placement Price, which is calculated in accordance with the formula set out in Section 2.7 of

this PDS Part 2. Investors should note that a Designated Distributor and Subscription Period may not be applicable to every Series of Exchange Traded Certificates and should refer to the Summary Table in PDS Part 1 for further details.

If you buy an Exchange Traded Certificate on the secondary market offered by ASX, you will not have to pay the Placement Price but you will likely have to pay brokerage fees and the Purchase Price will be subject to a bid – offer spread.

2.6 How do I apply for Exchange Traded Certificates during the Subscription Period (if applicable) and the Offer Period?

Subscription Period

If you wish to invest in Exchange Traded Certificates during the Subscription Period (if applicable), you must apply via the Designated Distributor authorised by RBS to offer Exchange Traded Certificates through the Subscription Period.

RBS intends to issue Exchange Traded Certificates to the Designated Distributor during the Subscription Period (if applicable). The Designated Distributor will then transfer the relevant Exchange Traded Certificates to you.

Further information about the Designated Distributor (if applicable) is set out in the Summary Table in Part 1 of this PDS. Investors should note that a Designated Distributor and Subscription Period may not be applicable to every Series of Exchange Traded Certificates.

An applicant in the Subscription Period (if applicable) must apply for at least the Minimum Subscription of Exchange Traded Certificates.

Offer Period

If you wish to invest in Exchange Traded Certificates during the Offer Period, you must either complete and return the Application Form attached to this PDS or apply via an intermediary authorised by RBS to offer Exchange Traded Certificates through the Offer Period.

An applicant in the Offer Period must apply for at least the Minimum Subscription of Exchange Traded Certificates.

General

This PDS does not specify the actual Placement Price because this is determined by reference to variable factors (including, amongst other things, the price of the relevant Reference Share or level of the relevant Reference Index and the Settlement Exchange Rate at the time of calculation of the Placement Price).

The Maximum Issue Size for each Series of Exchange Traded Certificates will be set out in Part 1 of this PDS. RBS reserves the right to increase the Maximum Issue Size with the consent of the ASX, without the consent of, or the giving of prior notice to, Holders.

2.7 How will the Placement Price be determined?

RBS will determine the Placement Price for each Exchange Traded Certificate acquired through the Subscription Period (if applicable) and the Offer Period.

Reference Shares

For Exchange Traded Certificates in respect of Reference Shares, in determining the Placement Price, RBS will observe the Closing Price of the relevant Reference Share on the Relevant Exchange on the Placement Pricing Date and will also observe the Settlement Exchange Rate. RBS will calculate the Placement Price as follows:

$$\text{Placement Price} = [(\text{Closing Price} \times \text{Multiplier}) / \text{Settlement Exchange Rate}] \times [100\% + \text{Placement Fee}]$$

Refer to Section 5 of this PDS Part 2 for an explanation of the Placement Fee.

If the Exchange Traded Certificate has a variable Settlement Exchange Rate, an investor will be exposed to movements between the two currencies making up the Settlement Exchange Rate. This means that the value of the Exchange Traded Certificate will be directly affected by foreign exchange rate movements in those currencies.

For example, if the Closing Price of Google Inc. on the Nasdaq National Market is US\$500.00 and the Multiplier is 1, the Settlement Exchange Rate is AUD/USD1.07 and the Placement Fee is 1.0% of the Closing Price (inclusive of GST), the Placement Price will be calculated as follows:

$$\begin{aligned} \text{Placement Price} &= [(\$500.00 \times 1) / \$1.0700] \times [100\% + 1\%] \\ &= [467.29] \times [101\%] \\ &= \text{AUD } 471.96 \end{aligned}$$

Reference Indices

For Exchange Traded Certificates in respect of Reference Indices, in determining the Placement Price, RBS will observe the Closing Index Level of the relevant Reference Index and will also observe the Settlement Exchange Rate. RBS will calculate the Placement Price as follows:

$$\begin{aligned} \text{Placement Price} &= [(\text{Closing Index Level} \times \text{Multiplier}) / \\ &\quad \text{Settlement Exchange Rate}] \\ &\quad \times [100\% + \text{Placement Fee}] \end{aligned}$$

If the Exchange Traded Certificate has a variable Settlement Exchange Rate, an investor will be exposed to movements between the two currencies making up the Settlement Exchange Rate. This means that the value of the Exchange Traded Certificate will be directly affected by foreign exchange rate movements in those currencies.

For example, if an investor buys one Exchange Traded Certificate over the S&P 500 Index at the Closing Index Level of 1,300 and the Multiplier is 0.10, the Settlement Exchange Rate is AUD/USD1.07 and the Placement Fee is 1% of the Closing Index Level, the Placement Price will be calculated as follows:

$$\begin{aligned} \text{Placement Price} &= [(1,300.00 \times 0.10) / \$1.0700] \times [100\% + 1\%] \\ &= [121.50] \times [101\%] \\ &= \text{AUD } 122.71 \end{aligned}$$

For Exchange Traded Certificates in respect of Reference Indices where the Settlement Exchange Rate is fixed at 1, in determining the Placement Price, RBS will observe the Closing Index Level of

the relevant Reference Index. RBS will calculate the Placement Price as follows:

$$\text{Placement Price} = \frac{[(\text{Closing Index Level} \times \text{Multiplier}) / \text{Settlement Exchange Rate}]}{x [100\% + \text{Placement Fee}]}$$

If the Exchange Traded Certificate has a fixed Settlement Exchange Rate, an investor will not have a foreign currency exposure. This means that the value of the Exchange Traded Certificate should not be directly affected by foreign exchange rate movements.

For example, if an investor buys one Exchange Traded Certificate over the S&P 500 Index at the Closing Index Level of 1,300 and the Multiplier is 0.10, the Settlement Exchange Rate is fixed at 1 and the Placement Fee is 1% of the Closing Index Level, the Placement Price will be calculated as follows:

$$\begin{aligned} \text{Placement Price} &= [(1,300.00 \times 0.10) / \$1.0000] \times [100 + 1\%] \\ &= [130.00] \times [101\%] \\ &= \text{AUD } 131.30 \end{aligned}$$

2.8 How do I find out the Closing Price of the Reference Share or the Closing Index Level?

The Closing Price of a Reference Share is quoted on the Relevant Exchange and published on the website of each Relevant Exchange. You can search the Relevant Exchange's website using the Relevant Exchange code for your Relevant Share in order to view the last Closing Price. The Closing Price is determined at the close of ordinary trading on the Relevant Exchange (excluding pre-market and after hours trading).

The Closing Index Level for a Reference Index is published on the website for the relevant Reference Index.

2.9 How do I trade Exchange Traded Certificates on the secondary market operated by ASX?

If approved by ASX, Exchange Traded Certificates will be traded on the AQUA market operated by ASX. Please see Section 2.21 of this PDS Part 2 for more information on the AQUA market.

If Exchange Traded Certificates are trading in the secondary market on ASX, the Purchase Price you will need to pay to acquire an Exchange Traded Certificate will depend on the market and fluctuate according to a number of factors, including the price of the underlying Reference Share or the level of the Reference Index (as applicable), the Settlement Exchange Rate and supply and demand for Exchange Traded Certificates generally.

RBS reserves the right to buy-back Exchange Traded Certificates that have been issued and to re-sell them after the initial issue of the Exchange Traded Certificates.

2.10 Can I sell my Exchange Traded Certificates before the Expiry Date?

You may sell your Exchange Traded Certificates on the ASX market via an ASX participant (such as a stockbroker) at any time up until the

close of trading on the Expiry Date, subject to the Exchange Traded Certificates being able to be traded (see Section 4.12 of this PDS Part 2 for more information).

If you elect to sell your Exchange Traded Certificates on the ASX before the Expiry Date, you will not be able to Exercise the Exchange Traded Certificates. You will receive payment from your ASX participant equal to the price at which the Exchange Traded Certificates were sold (less any applicable brokerage or other costs).

2.11 Can an Exchange Traded Certificate terminate before the Expiry Date?

An Exchange Traded Certificate may terminate before the Expiry Date if an Extraordinary Event occurs or, in the case of an Exchange Traded Certificate over a Reference Share, if the Reference Shares are compulsorily acquired following a takeover or similar event. If this occurs, you will not be able to give an Exercise Notice and you will instead receive a Termination Amount within ten Business Days of the termination.

2.12 How do I Exercise an Exchange Traded Certificate?

A Holder of an Exchange Traded Certificate is entitled, but not obliged, to give an Exercise Notice to RBS during each Exercise Period.

In respect of an Exchange Traded Certificate which is expressed in PDS Part 1 to have one or more Rolling Dates, the Holder may Exercise the Exchange Traded Certificate by giving an Exercise Notice during the relevant Exercise Period for that Rolling Date.

If the Holder does nothing during an Exercise Period in respect of such a Rolling Date, or does not give an Exercise Notice, the Exchange Traded Certificate will continue until the next Rolling Date or the Expiry Date (as applicable).

In respect of the Expiry Date, the Holder of an Exchange Traded Certificate may Exercise the Exchange Traded Certificate by giving an Exercise Notice during the relevant Exercise Period for that Expiry Date.

When Exercising an Exchange Traded Certificate over a Reference Share, the Holder must elect in the Exercise Notice to:

- receive the underlying Reference Shares;
- receive a Cash Amount; or
- if the Exercise relates to the Expiry Date, Rollover to a new Series of Exchange Traded Certificate (if available).

When Exercising an Exchange Traded Certificate over a Reference Index, if the Exercise relates to the Expiry Date, the Holder must elect in the Exercise Notice to:

- receive a Cash Amount; or
- if the Exercise relates to the Expiry Date, Rollover to a new Series of Exchange Traded Certificate (if available).

When Exercising an Exchange Traded Certificate over a Reference Index, if the Exercise relates to a Rolling Date, the Holder will be taken to have elected to receive a Cash Amount.

Subject to the Terms, RBS will comply with its obligations in respect of a valid Exercise Notice on or before the relevant Completion Date.

Exchange Traded Certificates can only be Exercised during an Exercise Period (effective as at the relevant Closing Time). To Exercise an Exchange Traded Certificate, the Holder must tender to RBS a valid Exercise Notice before the end of the relevant Exercise Period.

An Exercise Notice is only effective if, among other things, it is given by the Holder, or by a person who becomes the Holder by the end of the fifth Business Day after the relevant Rolling Date or Expiry Date (as applicable). If more than one Exercise Notice is given in respect of the same Exchange Traded Certificate, RBS will determine which Exercise Notice will be treated as valid. This is a risk associated with investing in the Exchange Traded Certificate (see Section 4.1 of this PDS Part 24 for more information).

The Holder is liable for any Expenses arising on the Exercise of an Exchange Traded Certificate.

If, in the Exercise Notice for an Exchange Traded Certificates over a Reference Share, the Holder elects to receive the Reference Shares, the Holder must tender with the Exercise Notice payment equal to the Expenses (including the Management Fee) or must authorise RBS to sell sufficient Reference Shares to cover the Expenses.

A Holder who elects to pay the Expenses in respect of an Exchange Traded Certificate over a Reference Share may provide a cheque in favour of The Royal Bank of Scotland plc and send this to the address shown on the top of the Exercise Notice, use direct credit or BPay. If you tender funds with the Exercise Notice to pay the Expenses in respect of a Rolling Date, but the funds are not cleared by the end of the Rolling Date, then RBS is not obliged to deliver the Reference Shares to you and the Exchange Traded Certificates will rollover to the next Rolling Date or Expiry Date. If you tender funds with the Exercise Notice to pay the Expenses on the Expiry Date, but the funds are not cleared by the end of the fifth Business Day after the Expiry Date, then RBS will sell sufficient Reference Shares to cover the Expenses and deliver the remaining Reference Shares to you.

In all other cases involving the Exercise of an Exchange Traded Certificate, the Expenses (including the Management Fee) will reduce the Cash Amount payable to the Holder or, in the case of Rollover, will reduce the number of new Exchange Traded Certificates acquired on Rollover.

See Section 5 of this PDS Part 2 for further information on how Expenses (including the Management Fee) are calculated and how they may impact the value of the Exchange Traded Certificate. A Holder can find out the amount of the Expenses on any Business Day by contacting RBS on 1800 450 005. However, you must call to find out the amount of Expenses at least two Business Days prior to the relevant Rolling Date or Expiry Date (as applicable). Please note that Expenses, in addition to the Management Fee, can be up to 5% of the value of an Exchange Traded Certificate (inclusive of GST).

A Holder of Exchange Traded Certificates in respect of Reference Shares that elects to receive the Reference Shares must also provide RBS with acceptable account details in order for RBS to be able to transfer the Reference Shares to the Holder or the Holder's nominee.

A Holder should also note that the Holder's ability to receive Reference Shares may be subject to restrictions imposed by the Relevant Exchange or in the jurisdiction of the Reference Share. It is the Holders' responsibility to ensure that it complies with any such restrictions. RBS makes no representation or warranty that it will be able to deliver any Reference Share to any particular Holder (see Section 2.20 of this PDS Part 2 for further information).

For more information on the Exercise of Exchange Traded Certificates, please refer to clause 7 of the Terms in Section 10 of this PDS Part 2.

2.13 No action

In respect of an Exchange Traded Certificate which is expressed in PDS Part 1 to have one or more Rolling Dates, if you do not Exercise the Exchange Traded Certificate at a Rolling Date, then your Exchange Traded Certificate continues to exist.

In respect of the Expiry Date, if you do not sell your Exchange Traded Certificate or lodge a valid Exercise Notice by the Closing Time on the Expiry Date, then the default position is that you will receive a Cash Amount.

2.14 Adjustment Event

If an Adjustment Event (as defined in the Glossary in Section 9 of this PDS Part 2) occurs in respect of an Exchange Traded Certificate, then RBS may, with the prior consent of the ASX, make an adjustment to various features of the Exchange Traded Certificate provided that, in the reasonable opinion of RBS, the adjustment is fair, equitable and appropriate to put both RBS and the Holder in an economic position that is as similar as reasonably practicable to the economic position the Holder and RBS would have been in, had the Adjustment Event not occurred, as determined by the Calculation Agent.

2.15 Do the Exchange Traded Certificates give rights to income and rights associated with any Reference Share or the Nominee Securities?

An Exchange Traded Certificate in respect of a Reference Share does not confer on any Holder any interest in the underlying Reference Share and therefore does not confer any direct entitlement to any income (such as, for example, dividends or distributions) or rights (including voting rights) in respect of the Reference Share.

The Holder acknowledges that there is no agreement, arrangement, understanding or expectation that the Issuer will acquire Reference Shares in relation to the Exchange Traded Certificates.

The Holder acknowledges that in relation to any Reference Shares held by or for, or otherwise controlled by the Issuer (whether or not as part of any hedge in relation to the Exchange Traded Certificates), the Holder has no right or relevant interest in any of those Reference Shares or any power in relation to them including, without limitation, any power to control, or right to be consulted, concerning disposal or trading of those Reference Shares by the Issuer or any decision by the Issuer with respect to the exercise by the Issuer of the right to vote attaching to any of those Reference Shares.

For the avoidance of doubt, if a Takeover Bid or tender offer is made or announced in relation to the Reference Company of an Exchange Traded Certificate over a Reference Share, the Issuer:

- a. is not obliged to accept the Takeover Bid or tender offer;
- b. will be under no obligation to communicate any information or document it received in connection with that Takeover Bid or tender offer to any Holder; and
- c. will have no other obligation to any person in connection with that Takeover Bid or tender offer.

However, if a Reference Company pays an ordinary dividend or distribution in respect of a Reference Share (as determined by RBS, acting reasonably) during the term of an Exchange Traded Certificate, RBS will pay an Income Amount to the person registered as the Holder of an over that Reference Share on the Record Date, within ten Business Days of the payment of the relevant ordinary dividend or distribution. A Dividend Fee and any applicable GST will also be payable to RBS in respect of that ordinary dividend or distribution (see Section 5 of this PDS Part 2 for more information on the Dividend Fee). RBS will deduct the Dividend Fee and any applicable GST from the Income Amount and the net amount will be paid to the bank account nominated by the Holder to the Registrar. Please note that if you have already nominated a bank account (such as through your broker), then this bank account will be used.

An Exchange Traded Certificate in respect of a Reference Index does not confer on any Holder any interest in any assets which are represented in the Reference Index and therefore does not confer any direct entitlement to any income (such as, for example, dividends or distributions) or rights (including voting rights) in respect of those assets.

Although Exchange Traded Certificates confer a Beneficial Interest in the Nominee Securities, they do not confer on any Holder any right to any income in respect of the Nominee Securities. For more information see Section 6.12 of this PDS Part 2.

2.16 What is the Settlement Exchange Rate?

In respect of an Exchange Traded Certificate over a Reference Share, the Settlement Exchange Rate is the rate of exchange between the currency of the Reference Share 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 the relevant time. In respect of an Exchange Traded Certificate over a Reference Index, the Settlement Exchange Rate is the foreign exchange rate between the two currencies specified for that Series in the Summary Table in PDS Part 1. In some circumstances, if specified for a Series in the Summary Table in PDS Part 1, the Settlement Exchange Rate may be fixed at a specified number.

If the Exchange Traded Certificate has a variable Settlement Exchange Rate, an investor will be exposed to movements between the two currencies making up the Settlement Exchange Rate. This means that the value of the Exchange Traded Certificate will be directly affected by foreign exchange rate movements in those currencies.

If the Exchange Traded Certificate has a fixed Settlement Exchange Rate, an investor will not have a foreign currency exposure. This means that the value of the Exchange Traded Certificate should not be directly affected by foreign exchange rate movements.

2.17 Maximum Issue Size

The Maximum Issue Size for each Series of Exchange Traded Certificates will be set out in Part 1 of this PDS. RBS reserves the right to increase the Maximum Issue Size with the consent of the ASX, without the consent of, or the giving of prior notice to, Holders.

2.18 Telephone recording

By applying for or holding an Exchange Traded Certificate, a potential investor agrees to the tape recording by RBS or RBS Equities or any agent of either of them of any telephone conversation concerning Exchange Traded Certificates.

2.19 Reference Shares

Holders wishing to take delivery of Reference Shares in respect of Exchange Traded Certificates over such Reference Shares should note that:

- investment, dealing or holding restrictions may apply in relation to the Relevant Shares. If a Holder wishes to take delivery of Reference Shares by giving an Exercise Notice the Holder must make its own assessment as to whether any restrictions apply in relation to holding, investing in and dealing in those Relevant Shares;
- the Holder must ensure they provide acceptable account details to RBS in order to receive physical delivery of the Reference Shares; and
- if a Holder's Exercise Notice does not contain acceptable account details, then:
 - in relation to a purported Exercise Notice in respect of a Rolling Date, RBS is not obliged to deliver the Reference Shares to the Holder and the Exchange Traded Certificates will rollover to the next Rollover Date or Expiry Date; and
 - in relation to a purported Exercise Notice in respect of the Expiry Date, then the default option will apply and the Holder will instead receive the Cash Amount.

If the Exercise Notice is invalid and the Holder does not take any further action prior to the Closing Time on the Expiry Date, that Holder will be treated in accordance with Section 2.13 "No Action" of this PDS Part 2.

2.20 AQUA market

Application has been made to admit the Exchange Traded Certificates to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Exchange Traded Certificates will not be quoted on the ASX under the ASX Listing Rules.

The AQUA Rules have been designed to offer greater flexibility than the ASX Listing Rules and are specifically designed for managed funds, exchange traded funds (ETFs) and structured products such as Exchange Traded Certificates.

Since many investors may be more familiar with the ASX Listing Rules than the AQUA Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules.

Trading status

In operational terms, the AQUA market operates in a similar way to the general ASX market for listed equities, with matching of bids and offers during trading hours and an opening and closing auction.

AQUA Rules: fundamental difference

The key distinction between products admitted under the ASX Listing Rules and those admitted under the AQUA Rules is the level of control and influence that the issuer (in the case of Exchange Traded Certificates, RBS) has over the assets underlying the product (in the case of Exchange Traded Certificates, the Reference Shares or the Reference Indices).

Under the ASX Listing Rules, quoted equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted on AQUA typically reflects the performance of the underlying assets (here, the Reference Shares or the Reference Indices).

Key specific differences between the ASX Listing Rules and the AQUA Rules

Due to the different nature of the securities quoted under the ASX Listing Rules and structured products quoted under the AQUA Rules, the AQUA Rules differ from the ASX Listing Rules. Some of the key differences between the AQUA Rules and the ASX Listing Rules are as follows:

1. *Continuous disclosure* – the disclosure requirements for AQUA issuers are different to those for issuers under the ASX Listing Rules. There is a requirement under the AQUA Rules that an AQUA product issuer provide the ASX with any information the non-disclosure of which may lead to the establishment of a false market in the relevant products (eg the Exchange Traded Certificates) or would be likely to materially affect the price of the relevant products.

2. *Periodic disclosure* – In contrast to entities listed under the ASX Listing Rules, AQUA product issuers are not required to disclose half yearly and annual financial information or annual reports to ASX.

3. *Spread requirements* – The requirements under the ASX Listing Rules that require issuers to satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size) do not apply to AQUA products. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA product issuer must ensure a reasonable bid and volume is maintained for the AQUA product on the ASX, generally through the appointment of a market maker, or have in place other arrangements which meet ASX's requirements for providing liquidity.

4. *Corporate control* – The ASX Listing Rule requirements in relation to matters such as Takeover Bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial holdings do not apply to AQUA products. The Corporations Act provisions that apply to takeovers and substantial shareholding requirements for listed managed investment schemes do not apply to Exchange Traded Certificates. Similar provisions may however apply to underlying Reference Shares, in the relevant jurisdiction of the Reference Company and/or Relevant Exchange.

5. *Related party transactions* – The ASX Listing Rule requirements relating to transactions between an entity and persons in a position to influence the entity do not apply to AQUA Products.

6. *Auditor rotation obligations* – AQUA product issuers, including RBS, are not subject to the requirements in Division 5 of Part 2M.4 of the Corporations Act in relation to auditor rotation.

3. Benefits of Exchange Traded Certificates

There are many benefits associated with investing in the Exchange Traded Certificates, including (but not limited to):

- a low entry cost compared to buying international shares and indices directly and incurring the associated administrative costs;
- you can hold your Exchange Traded Certificates via CHESS alongside other local equity holdings;
- you can track the movement of international shares and indices;
- the ability to trade Exchange Traded Certificates during ASX trading hours instead of trading during overseas exchange hours;
- in respect of international Reference Shares or Reference Indices, the ability to obtain exposure without the need to set up and maintain an international securities account; and
- in respect of international Reference Shares or Reference Indices, you can settle payments in Australian Dollars instead of paying international currency for the Reference Share or for exposure to the Reference Index.

Accordingly, an investment in the Exchange Traded Certificates may suit you if you:

- have a particular view that a Reference Share or Reference Index will increase in value over a particular time frame;
- are willing to have exposure to foreign exchange rate movements between the currency of the Reference Share or Reference Index and the Settlement Currency in respect of an Exchange Traded Certificate with a variable Settlement Exchange Rate;
- do not wish to have an exposure to foreign currency movements in respect of your investment and therefore invest in an Exchange Traded Certificate with a fixed Settlement Exchange Rate; and
- do not wish to set up and maintain an international account to trade international shares and indices.

4. Risk factors

Exchange Traded Certificates are speculative and involve a degree of risk, including the risk of losing the entire Placement Price or Purchase Price (as applicable).

Holders should be aware that the return on the Exchange Traded Certificates:

- may be negative and Holders may lose all of the Placement Price or Purchase Price (as applicable);
- may be less than the return the Holder could earn on other investments;
- are unlikely to reflect the return Holders would realise if they owned the Reference Shares in the currency of the Reference Share or held an exposure to the assets underlying a Reference Index in the currency of the underlying assets, as a Holder is exposed to movements in the Settlement Exchange Rate (unless the Settlement Exchange Rate is fixed at 1); and
- will not, in the case of an Exchange Traded Certificate over a Reference Share, directly reflect the ordinary dividends or distributions paid in respect of the underlying Reference Shares as Holders will not receive these ordinary dividends or distributions but will instead receive an Income Amount.

Investors who do not want exposure to the movement of the Reference Shares or a Reference Index and do not want to be exposed to movements in the Settlement Exchange Rate should carefully consider whether Exchange Traded Certificates are suitable for them and their needs before investing in Exchange Traded Certificates.

Holders should be aware that there is no indication as to how the Exchange Traded Certificates will trade in the secondary market, nor is there sufficient evidence as to whether the market will be liquid or illiquid. Holders are warned that the price of Exchange Traded Certificates may fall in value as rapidly as they may rise. Accordingly, you may lose some, or all, of the Placement Price or Purchase Price (as applicable) paid for the Exchange Traded Certificates.

4.1 Introduction

This outline of risks focuses on the significant risks and does not purport to disclose all of the possible risks or other relevant considerations relating to an investment in Exchange Traded Certificates. The Exchange Traded Certificates are considered by RBS to be suitable only for investors who understand the risks involved and are prepared to sustain a complete loss of the Placement Price or Purchase Price (as applicable). RBS recommends that potential investors obtain independent financial advice before subscribing

for Exchange Traded Certificates from an accredited derivatives advisor.

Information about the significant risks of trading in Exchange Traded Certificates is set out below:

4.2 General market risks

The price of Exchange Traded Certificates could be affected by general movements in local and international stock markets, prevailing and anticipated economic conditions, sentiment, interest rates and exchange rates. As the Reference Shares, and the assets represented in a Reference Index, may be quoted on an overseas Relevant Exchange, the price or value of the Reference Shares, and the level of the Reference Indices, may also be affected by market and operational risks in relation to the Relevant Exchange and market risks in relation to the overseas jurisdiction of the Relevant Exchange.

Investors are warned that the price of Exchange Traded Certificates may fall rapidly and Holders may sustain a total loss of their investment. Prospective investors should therefore ensure that they understand the nature of Exchange Traded Certificates and carefully study the risk factors set out in this PDS before they invest in Exchange Traded Certificates.

Purchasers of Exchange Traded Certificates in the secondary market on the ASX are also subject to settlement risk, such that if a seller of Exchange Traded Certificates does not meet their settlement obligations, there may not be sufficient Exchange Traded Certificates available to settle your purchase transaction.

4.3 Reference Shares and foreign Reference Indices denominated in foreign currency – Exchange rate risk

Reference Shares and assets underlying a Reference Index may be denominated in a currency other than Australian Dollars and, therefore, may be adversely affected by changes in foreign exchange rates (unless the Settlement Exchange Rate is fixed at 1). The foreign exchange market is a 24-hour wholesale trading market with participants from all over the world. Investors will need to consider that they will have foreign exchange risk, i.e. movements in the foreign exchange rate may adversely impact the value of their Exchange Traded Certificates.

4.4 Adjustment Events

If an Adjustment Event occurs, Exchange Traded Certificates may be adjusted in various ways. RBS will attempt to only make adjustments which are equitable and appropriate. However, this may not be possible in all circumstances and may lead to RBS declaring that an Adjustment Event constitutes an Extraordinary Event (see Section 4.5 of this PDS Part 2 below).

4.5 Termination of Exchange Traded Certificates before the Expiry Date (Extraordinary Event)

The Exchange Traded Certificates will terminate before the Expiry Date on the occurrence of an event which is nominated by RBS as an Extraordinary Event (with the consent of the ASX). If an Exchange Traded Certificate is terminated before the Expiry Date, you will not be able to give an Exercise Notice. You will instead receive a Termination Amount (which may be zero) within ten (10) Business Days of the termination.

4.6 Counterparty risk

As the Exchange Traded Certificates do not confer any interest in the underlying Reference Share or the assets represented in any Reference Index, the value of an Exchange Traded Certificate depends on RBS's ability to perform its obligations under the Terms.

These obligations are unsecured contractual obligations of RBS and in the event of an insolvency of RBS Holders will rank equally with RBS's other unsecured creditors. RBS's obligations in respect of the Exchange Traded Certificates are not guaranteed by any party. As such, if RBS fails, it may not be able to meet its obligations to you under this PDS and the Terms.

Investors must make their own assessment of RBS's ability to meet its obligations in respect of the Exchange Traded Certificates.

Financial information for the RBS Group is available at www.investors.rbs.com, however, please note that no other RBS Group entity is guaranteeing the obligations of RBS in respect of this Series of Exchange Traded Certificates and, therefore, any financial information regarding other RBS Group entities is not directly relevant to your decision whether or not to invest in Exchange Traded Certificates. You should instead focus on the financial information relating to RBS itself and not the RBS Group.

A Holder takes the credit risk and counterparty risk that RBS will not be able to or will not continue to perform its obligations owed to Holders under this PDS. For example, RBS's obligations include, but are not limited to, the market making obligations in respect of the Exchange Traded Certificates. If RBS is not able to perform any of its obligations in a timely fashion and in accordance with the provisions of this PDS, it may affect the value of the Exchange Traded Certificates.

While RBS is a company incorporated in Scotland, it has also registered as a foreign company with ASIC and it has an Australian registered office (which is provided in the Directory at the front of this PDS Part 2).

4.7 Expenses

Expenses (in addition to the Management Fee and any applicable GST discussed separately in Section 4.8 of this PDS Part 2 below) may be payable on Exercise if you wish to receive Reference Shares and will be reflected in the calculation of the Cash Amount if you elect to receive a Cash Amount. Expenses will also be taken into account in calculating any Termination Amount.

Expenses include any incidental costs, including unwinding of hedging arrangements, Transfer Taxes and/or Expenses and brokerage (if applicable) incurred by RBS in relation to the Exercise or early termination of an Exchange Traded Certificate, plus the Management Fee and any applicable GST as described separately in Section 4.8 of this PDS Part 2 below.

The amount of any incidental costs related to the unwinding of hedging arrangements will depend on the circumstances. For example, if an Exchange Traded Certificate is terminated early in its term and well before any Rolling Date or the Expiry Date, hedging unwind costs may be significant and will be affected by factors including the price and volatility of the Reference Share or Reference Index, Australian and offshore interest rates, and the time to the Expiry Date. The actual impact of these factors and their impact on hedging unwind costs will vary and cannot be quantified as at the date of this PDS.

If, however, an Exchange Traded Certificate is Exercised at a Rolling Date (if applicable) or the Expiry Date, hedging unwind costs should generally be minimal, as RBS's hedging arrangements will generally contemplate being unwound at a Rolling Date (if applicable) or the Expiry Date to facilitate Exercise.

Expenses may be significant and can be up to 5% of the value of the Exchange Traded Certificate (inclusive of GST), which may reduce any return in respect of your Exchange Traded Certificates.

4.8 Management Fee

RBS charges a Management Fee which is calculated daily, and accrues daily. The Management Fee Rate is expressed as a percentage of the amount equal to the daily Closing Price or Closing Index Level (as applicable), multiplied by the Multiplier and divided by the Settlement Exchange Rate, and is inclusive of GST. As the daily Closing Price or Closing Index Level (as applicable) fluctuates, the amount of daily Management Fee will fluctuate accordingly.

The Management Fee, as accrued throughout the term of the Exchange Traded Certificate is ultimately paid by the Holder in Australian Dollars on Exercise or Rollover (or on early termination) and, as an Expense and reduces the Cash Amount if the Holder elects to receive a Cash Amount, the number of Reference Shares received if the Holder elects to receive Reference Shares, or the number of new Exchange Traded Certificates received by the Holder on Rollover.

Over time, due to the accrual of the Management Fee, one would expect the value of the Exchange Traded Certificate to diverge from the price of the Reference Share or the level of the Reference Index, to reflect that the Holder on Exercise, Rollover or early termination will be obliged to pay the Management Fee.

For more information on the Management Fee, see Section 5 of this PDS Part 2.

4.9 Requirement to take action

If you do not Exercise your Exchange Traded Certificates in respect of Reference Shares during the final Exercise Period, you will be subject to the default option which is that you will receive a Cash Amount. If you do not wish for the default option to apply to you, you should ensure that you give a valid Exercise Notice to RBS during the final Exercise Period.

4.10 Exchange Traded Certificates differ from Reference Shares and Reference Indices

While Exchange Traded Certificates aim to reflect the performance of the underlying Reference Shares or Reference Index, an investment in an Exchange Traded Certificate is different to a direct investment in a Reference Share or a direct investment in assets represented in a Reference Index. For example:

- a. Exchange Traded Certificates in respect of Reference Shares do not confer a right to the dividend or distribution paid in respect of the underlying Reference Shares – Holders will only receive an Income Amount in respect of such dividends or distributions and Exchange Traded Certificates in respect of a Reference Index confer no right to dividends or distributions paid in respect of assets represented in the Reference Index;
- b. a Holder of an Exchange Traded Certificate does not receive any voting rights in respect of the underlying Reference Shares or any assets represented in a Reference Index;
- c. a Holder of an Exchange Traded Certificate will not be able to participate in any corporate actions in respect of the underlying Reference Share or any assets represented in a Reference Index;
- d. an Exchange Traded Certificate is priced in Australian Dollars, which means that the Holder may be exposed to foreign exchange risk (see Section 4.3 of this PDS Part 2); and
- e. a Holder will be liable for the Management Fee and potentially Expenses (see Sections 4.7 and 4.8 of this PDS Part 2 above).

4.11 Historic performance of Reference Shares and Reference Indices and exchange rates

The past performance of the Reference Shares or Reference Indices underlying an Exchange Traded Certificate is not necessarily indicative of, or a guide to, the future performance of the Reference Shares, Reference Indices or any associated Exchange Traded Certificates, which can be volatile.

The past performance of an exchange rate (for example, the exchange rate between Australian dollars and the currency of a Reference Share or a Reference Index) is not necessarily indicative of, or a guide to, the future performance of that exchange rate.

4.12 Illiquidity of secondary market

A liquid market is generally one in which there is sufficient trading activity to satisfy both buyers and sellers. An illiquid market is generally one in which it is difficult to convert Exchange Traded Certificates into cash by selling them. Accordingly, in an illiquid market there is a risk that investors may not be able to sell their

Exchange Traded Certificates at a reasonable price. To ensure sufficient liquidity, RBS undertakes to the ASX that it will make a market by maintaining buy and sell orders for the life of the Exchange Traded Certificates in accordance with the ASX Operating Rules. However, this does not guarantee that you will always be able to sell or buy Exchange Traded Certificates when you wish to do so.

4.13 Suspension of Exchange Traded Certificate trading

Trading of Exchange Traded Certificates on the ASX secondary market may be halted or suspended in certain circumstances. This may occur if, for example, trading in the underlying Reference Shares is suspended or halted (if applicable), or if ASX deems such action appropriate in the interests of maintaining a fair and orderly market in Exchange Traded Certificates, or otherwise deems such action advisable in the public interest or to protect Holders.

This may also, at RBS's discretion, lead to the termination of Exchange Traded Certificates if such halt or suspension is deemed, with the ASX's consent, to be an Extraordinary Event by RBS.

4.14 Exercise and registration

A person Exercising an Exchange Traded Certificate risks the Exercise Notice being invalid if the person is not, to the knowledge of, or in the reasonable opinion of, RBS the person entitled to give an Exercise Notice. If an Exercise Notice is deemed by RBS (acting reasonably) to be ineffective, then the person giving the Exercise Notice has no entitlement to any Rollover (if available), Cash Amount, Reference Shares or any other payment or transfer from RBS in relation to the Exchange Traded Certificates.

4.15 Conflicts of interest

Companies in the RBS Group will conduct transactions as principal and as agent in various securities, including the Exchange Traded Certificates and the Reference Shares and the securities represented in the Reference Indices.

Potential conflicts of interest can arise because a number of entities involved in this offer are related parties.

RBS, other members of the RBS Group, or their directors, employees or affiliates may, subject to law, hold shares or units in members of the RBS Group and/or hold Exchange Traded Certificates or Reference Shares or assets represented in the Reference Indices. The directors and employees of RBS and other members of the RBS Group may receive remuneration based on the issue or performance of Exchange Traded Certificates or the Reference Shares or assets represented in the Reference Indices, in whole or in part.

Members of the RBS Group may have business relationships or alliances (including joint ventures) with any of the Reference Companies, issuers, managers or the Reference Companies and where the Reference Shares seek to track an index or market, or where the Exchange Traded Certificate relates to a Reference Index, the constituents of that index or market. A member of the RBS Group may also be a substantial shareholder or manager of any of the Reference Companies or the issuers of securities represented in the Reference Indices. In addition, members of the RBS Group may from time to time advise any of the Reference Companies,

or the issuers of securities represented in the Reference Indices, or their managers in relation to Exchange Traded Certificates or activities unconnected with the Exchange Traded Certificates which may or may not affect the value of the Reference Companies, the Reference Shares, assets represented in the Reference Indices and/or Exchange Traded Certificates. Such relationships and advisory roles may include but are not limited to:

- acting as manager or joint lead manager in relation to the offering or placement of rights, options or other securities including Reference Shares and securities represented in the Reference Indices;
- advising in relation to mergers, acquisitions or takeover offers; and
- acting as general financial advisor in respect of, without limitation, corporate advice, financing, funds management and property and other services.

RBS may also have a commercial relationship with various senior executives of a Reference Company, issuers or managers of a Reference Company and where the Reference Company seeks to track an index or market, the constituents of that index or market, and may sell financial products to, or advise, such senior executives in relation to Exchange Traded Certificates and matters unconnected with the Exchange Traded Certificates.

These activities may have an adverse effect on the value of Reference Shares, Reference Indices or the Exchange Traded Certificates.

The RBS Group has a conflicts of interest policy to ensure that it identifies and appropriately manages all conflicts of interest. RBS's conflicts of interest policy relates to its monitoring, prevention and other compliance measures related to the management of conflicts of interest.

4.16 Rollover may not be available

RBS may, at its absolute discretion, decide whether to make available another similar Series of Exchange Traded Certificates over the same Reference Share or Reference Index following the Expiry Date of each Series of Exchange Traded Certificates offered under this PDS.

If RBS does not make available another similar Series of Exchange Traded Certificates over the same Reference Share or Reference Index, the Rollover option will not be available during the final Exercise Period and, in the case of an Exchange Traded Certificate over a Reference Share, you will need to elect to either receive the Reference Shares or the Cash Amount.

4.17 National Guarantee Fund – not a guarantor in all cases

The National Guarantee Fund (NGF) is a pool of assets that is available to meet valid claims arising from dealings with stockbrokers in certain circumstances. Under certain circumstances you may be able to claim against the NGF in relation to secondary trading in Exchange Traded Certificates on the stock market conducted by ASX. Claims on the NGF can in no way relate to the primary issue of the Exchange Traded Certificates or the settlement obligations of RBS arising from the Exercise of an Exchange Traded Certificate.

4.18 Foreign Reference Shares risk

In the case of Exchange Traded Certificates over foreign Reference Shares, rights in relation to those Reference Shares and the ability of a holder of Reference Shares to enforce those rights vary from jurisdiction to jurisdiction. Holders should be aware that if they take delivery of Reference Shares that are governed by the laws of a country other than Australia, the securities laws of the overseas jurisdiction of the Reference Company or the overseas Relevant Exchange will apply in relation to that holding, and those laws may be different to Australian securities laws and in particular may not offer the same levels of investor protection as Australian securities laws. Before a Holder makes a decision whether to take delivery of any foreign Reference Shares, they should satisfy themselves in relation to how overseas securities' laws may affect them.

A Holder wishing to take delivery of any foreign Reference Shares must make its own assessment as to whether any investment, dealing or holding restrictions apply in relation to those foreign Reference Shares. A Holder electing to receive Reference Shares must provide RBS with acceptable account details in order for RBS to be able to transfer the Reference Shares to the Holder or the Holder's nominee.

4.19 Risk of changes to the Terms

RBS may, in certain circumstances, make changes to the Terms. These circumstances are set out in clauses 15 and 16 of the Terms set out in Section 10 of this PDS Part 2.

4.20 Tax risk

PDS Part 2 Section 7 "Tax considerations" contains a taxation summary based on current Australian taxation laws.

Prospective Holders should read this carefully and should seek their own independent tax advice to confirm the suitability of the Exchange Traded Certificates for them and should seek further independent tax advice in relation to any changes in the tax law or practice that may occur after the issue of the PDS.

4.21 Overseas taxation consequences

Reference Shares may be exchange traded funds and securities in companies incorporated in a country other than Australia and listed on an exchange other than the ASX. Various taxation consequences may be applicable in the overseas jurisdictions on the distributions and the acquisition, transfer or sale of the Reference Shares.

For example, the following taxes may be payable:

- withholding tax on dividends or distributions paid by the Reference Company (which will be taken into account in relation to any Income Amount payable to a Holder);
- capital gains tax on the disposal of the Reference Shares (including potentially on the change in beneficial ownership if the Reference Shares are transferred to Holders following Exercise); and
- stamp duty on the transfer of the Reference Shares.

Taxes payable by a Holder are the liability of the Holder and not RBS. In addition, the effect of these taxes may affect the value of the Exchange Traded Certificate and the amount (if any) received by Holders following Exercise.

4.22 Changes in law

The descriptions of the Exchange Traded Certificate are based on New South Wales law in effect as at the date of this PDS. RBS is a public limited company incorporated in Scotland and is regulated by the Financial Services Authority in the United Kingdom. Changes in the law or its interpretation in Australia, Scotland or the United Kingdom, including taxation and corporate regulatory laws, practice and policy, could have a negative impact on the returns to Holders and may cause an Extraordinary Event or an Adjustment Event to occur. In particular, the change of law risk in the context of income tax is discussed in Section 7 “Tax considerations” of this PDS Part 2. Holders should review the tax opinion with their own tax advisor.

4.23 Reference Index risk

In the case of Exchange Traded Certificates over Reference Indices, the following events may affect the market value of Exchange Traded Certificates:

- a. change in the composition of the Reference Indices;
- b. actions of general market participants who actively trade in the assets represented in the Reference Indices;
- c. suspension of the Reference Index; and
- d. a failure to publish the Closing Index Level for whatever reason including system failures.

The Reference Indices may be proprietary indices of an entity and are calculated by reference to methodologies developed by, and determinations by, that particular entity.

There may also be additional risks specific to a particular Reference Index or class of Reference Indices. Where this is the case, these risks will be discussed in PDS Part 1.

5. Fees & commission

5.1 Placement Fee

If you purchase Exchange Traded Certificates (i) directly from the Designated Distributor during the Subscription Period (if applicable); (ii) directly from RBS under the Offer Period; or (iii) through an intermediary authorised by RBS to offer Exchange Traded Certificates through the Offer Period, then you will be required to pay a Placement Fee. The Placement Fee is expressed as a percentage of the Closing Price of the Reference Share or the Closing Index Level on the Placement Pricing Date and the relevant percentage is set out in the Summary Table in Part 1. For an example of how the Placement Fee affects the Placement Price, please refer to PDS Part 2, Section 2.7 “How will the Placement Price be determined” of this PDS Part 2.

5.2 Commissions payable to your broker

If you purchase Exchange Traded Certificates on the secondary market through ASX, you will not be required to pay a Placement Fee but you may pay some fees or commissions directly to your stockbroker. Any such fees and commissions should be disclosed in the stockbroker’s financial services guide.

5.3 Dividend Fee in respect of Reference Shares

In relation to Exchange Traded Certificates over Reference Shares, if an ordinary dividend or distribution is paid in respect of the Reference Share, you authorise RBS to deduct a Dividend Fee and any applicable GST from any Income Amount payable to you. The Dividend Fee is only payable in respect of Exchange Traded Certificates over Reference Shares specified in the Summary Table in Part 1. The Dividend Fee is expressed as a percentage of the Income Amount and the percentage is set out in the Summary Table of PDS Part 1.

5.4 Expenses on exercise

The Holder is liable for any Expenses (including the Management Fee) arising on the Exercise of an Exchange Traded Certificate. Where the Holder elects to receive a Cash Amount, any Expenses will be reflected in the calculation of the Cash Amount. Where a Holder elects to receive the underlying Reference Shares on the Exercise of Exchange Traded Certificates which relate to Reference Shares, the Holder must pay any applicable Expenses, unless the Holder elects to have RBS sell sufficient Reference Shares on the Holder’s behalf to pay the Expenses.

A Holder can find out the amount of the Expenses on any Business Day by contacting RBS on 1800 450 005. However, you must call to find out the amount of Expenses at least two Business Days prior to the relevant Rolling Date or Expiry Date (as applicable). Please note that Expenses (in addition to the Management Fee) can be up to 5% of the value of an Exchange Traded Certificate (inclusive of GST).

For more information on the way in which Expenses must be paid, see Section 2.12 of this PDS Part 2.

5.5 Management Fees

RBS charges a Management Fee which is calculated daily, and accrues daily. The Management Fee Rate is expressed as a percentage of the amount equal to the daily Closing Price or Closing Index Level (as applicable), multiplied by the Multiplier and divided by the Settlement Exchange Rate, and is inclusive of GST. As the daily Closing Price or Closing Index Level (as applicable) fluctuates, the amount of daily Management Fee will fluctuate accordingly. The Management Fee, in relation to each Series of Exchange Traded Certificates, is calculated by reference to the annual Management Fee Rate for that Series, as set out in the Summary Table in Part 1 of this PDS (inclusive of GST).

For an Exchange Trade Certificate over a Reference Index:

$$\text{Management Fee} = \frac{\text{Closing Index Level} \times \text{Multiplier}}{\text{Settlement Exchange Rate}} \times (\text{Management Fee Rate} / 365)$$

For an Exchange Traded Certificate over a Reference Share:

$$\text{Management Fee} = \frac{\text{Closing Price} \times \text{Multiplier}}{\text{Settlement Exchange Rate}} \times (\text{Management Fee Rate} / 365)$$

Please be aware that at certain times during a week, the current aggregate value of Management Fee reported by the Issuer for that day may reflect more than one day’s Management Fee. This is because an Exchange Traded Certificate incurs Management Fee on each day. However, the ASX is not open for trading on each day so it is not possible to report the daily Management Fee every day. For example, the ASX is closed over the weekend, so when the market reopens on a Monday, the current aggregate value of Management Fee will incorporate three days’ Management Fees (being the previous Friday, Saturday and Sunday). Public holidays will also have an impact.

For example, if an Exchange Traded Certificate was held over a weekend, the Closing Index Level is 1,352.00, the Multiplier is 0.1, the Settlement Exchange Rate is AUD/USD 1.0000, the Management Fee is 1.00% p.a. (inclusive of GST) and the aggregate value of Management Fee is \$3.90, further aggregations of the Management Fee over the weekend will be calculated as follows;

Friday aggregate value of Management Fee	\$3.90
Management Fee per day	= $1,352 \times 0.10 / 1 \times (1.00\%/365)$ = \$ 0.0037
Saturday aggregate value of Management Fee	= \$3.90 + \$0.0037 = \$3.9037
Sunday aggregate value of Management Fee	= \$3.9037 + \$0.0037 = \$3.9074
Monday aggregate value of Management Fee (reported on Monday)	= \$3.9074 + \$0.0037 = \$3.9111

Each Business Day, RBS will publish at www.rbs.com.au/etc the amount of the then current aggregate value of Management Fee in Australian Dollars up to and including the day before that Business Day, together with the Management Fee for the previous Business Day and the Closing Price and the Closing Index Level (as applicable) for the previous Business Day.

The Management Fee, as accrued throughout the term of the Exchange Traded Certificate is ultimately paid, in Australian Dollars, by the Holder on Exercise or Rollover (or on early termination) and, as an Expense:

- reduces the Cash Amount if the Holder is entitled to receive a Cash Amount (as the amount of the Management Fee is deducted from the Exit Value to determine the Cash Amount);
- must be paid by the Holder who Exercises Exchange Traded Certificates over Reference Shares and who elects to receive the Reference Shares;
- reduces the number of new Exchange Traded Certificates received by the Holder on Rollover, if the Holder elects to Rollover to a new Series of Exchange Traded Certificates; and
- reduces any Termination Amount (if an Exchange Traded Certificate is terminated).

Over time, due to the accrual of the Management Fee, one would expect the value of the Exchange Traded Certificate to diverge from the price of the Reference Share or the level of the Reference Index, to reflect that the Holder on Exercise, Rollover or early termination will be obliged to pay the Management Fee.

For example if, at expiry, the Closing Index Level is 1,352.00, the Multiplier is 0.1, the Settlement Exchange Rate is 1, incidental costs are \$0.00 and the current aggregate Management Fee is AUD \$3.90, a Holder who Exercises one Exchange Traded Certificate over the Reference Index will be entitled to receive the following Cash Amount:

$$\begin{aligned} \text{Cash Amount} &= [\text{Exit Value} / \text{Settlement Exchange Rate}] \\ &\quad - \text{Expenses} \\ &= [\text{Closing Index Level} \times \text{Multiplier} / \\ &\quad \text{Settlement Exchange Rate}] - \text{Expenses} \\ &= [1,352.00 \times 0.1 / 1.0000] - [\$3.90 + \$0.00] \\ &= \text{AUD } \$131.30 \end{aligned}$$

5.6 Other Fees

RBS Group entities may pay a fee or commission (including, without limitation, some or all of the Placement Fee) in relation to the Exchange Traded Certificates to the Designated Distributor (if applicable) or to certain intermediaries authorised by RBS who are involved in the issue or distribution of Exchange Traded Certificates.

6. General information

This section outlines for potential investors some additional general information in relation to the Exchange Traded Certificates.

6.1 Admission to trading status on the ASX

Application has been made for the Exchange Traded Certificates to be admitted to trading status by the ASX. If the ASX approves the Exchange Traded Certificates being admitted to trading status that should not be taken in any way as an indication of the merits of RBS or of the Exchange Traded Certificates.

The ASX has not authorised or caused the issue of this PDS or the making of offers or invitations with respect to the Exchange Traded Certificates. The ASX takes no responsibility for the contents of this PDS. In particular the ASX makes no representation as to whether this PDS and the Terms comply with the Corporations Act or the ASX Operating Rules.

To the extent permitted by law, the ASX disclaims all liability for any claim of whatever kind, including for any financial or consequential loss or damage suffered by Holders or any other person, if that claim arises wholly or substantially out of:

- reliance on any information contained in this PDS; or
- any error in, or omission from, this PDS.

6.2 Market making

RBS Equities or its nominee intend to apply for Exchange Traded Certificates to facilitate its market making activities. If the total number of Exchange Traded Certificates applied for by investors and by RBS Equities or its nominee for market making purposes is less than the Maximum Issue Size, RBS Equities reserves the right to apply for all or any of the remaining Exchange Traded Certificates (in its name or in the name of a nominee). RBS reserves the right to issue the Exchange Traded Certificates to such persons.

6.3 Legislation regulating disclosure of substantial shareholders and takeovers

The acquisition of Exchange Traded Certificates over Reference Shares may have implications for a Holder under relevant legislation regulating the disclosure and holding of interests in Reference Shares. Holders should seek their own advice about this as the implications of these provisions will depend on the Holder's particular circumstances including their own and other persons' existing Reference Share holdings, as RBS does not provide advice in this regard.

6.4 Other restrictions

The acquisition and Exercise of Exchange Traded Certificates over Reference Shares could potentially have implications for investors under legislation in the jurisdiction of the Reference Shares or the Relevant Exchanges and may be restricted under the constitution of the relevant Reference Companies. Investors should seek their own advice in this regard.

6.5 Consents

Link Market Services Limited has given and not withdrawn its consent to be named in this PDS, but has not authorised, and should not be taken to have caused, the issue of any other part of this PDS.

RBS Equities has given and not withdrawn its consent to be named in this PDS, but has not authorised, and should not be taken to have caused the issue of any part of this PDS.

Blake Dawson has given and not withdrawn its consent to be named in this PDS, but has not authorised, and should not be taken to have caused the issue of any part of this PDS.

6.6 Cooling off

No cooling off rights apply to the issue of the Exchange Traded Certificates.

6.7 Additional information

RBS will ensure that they notify investors of any material changes to this PDS (generally RBS will do this by notifying the ASX and making an appropriate announcement to the market).

If you require a Placement Price for the Exchange Traded Certificates, financial statements and accounts relating to RBS or other information concerning Exchange Traded Certificates, please visit the website www.rbs.com.au/etc. Paper copies of the financial information are available free on request.

6.8 Privacy

RBS collects your personal information in order to:

- provide and manage the financial products and services provided by RBS to you;
- comply with relevant laws (such as anti-money laundering and counter-terrorism legislation); and
- keep you informed of new products and services.

RBS may use the information to send out information concerning RBS's other trading and investment products. If you do not actively select to not receive any information on RBS's other trading and investment products, you are taken to have consented to receive such information. If at any time you are receiving information from RBS about RBS products and do not wish to receive further correspondence, you will need to let RBS know by calling 1800 450 005.

RBS may disclose information about you to third parties where it is necessary for business purposes in managing a financial product or service and/or where RBS has service partners involved in providing your financial products or services. On request, RBS will provide you with a copy of any personal information which RBS holds about you. RBS will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide RBS with the personal information which RBS requests, RBS may not be able to provide a service, or RBS may be required by law to take particular actions such as deducting taxation at the top marginal rate.

Further information about RBS's privacy practices can be found by requesting a copy of RBS's privacy policy. If you inform RBS that information it holds about you is not accurate, complete or up to date, RBS will take reasonable steps to correct it.

6.9 Complaints and enquiries

If a Holder has an enquiry or concern about their investment, they should contact the RBS Structured Products Desk on 1800 450 005 or by writing to:

The Royal Bank of Scotland plc

RBS Structured Products
RBS Tower
Level 22, RBS Tower 88 Phillip Street
Sydney NSW 2000

Or

GPO Box 4675
Sydney NSW 2001

If you have a complaint and it is not addressed to your satisfaction by the RBS Structured Products Desk, you can then direct your complaint to the Head of Compliance using the addresses above.

RBS's compliance department will acknowledge receipt of your complaint in writing. Your complaint will be investigated in accordance with the RBS Group Complaints Policy (which can be read at www.rbs.com.au). You will be informed in writing of the result of the compliance investigation into your complaint.

If you are not satisfied with RBS's response to your complaint you can then contact the Financial Ombudsman Service ("FOS") at:

Address: Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Level 12, 717 Bourke St
Docklands VIC 3008

Telephone: 1300 780 808
Email: info@fos.org.au

FOS is a free independent dispute resolution scheme. In order for a complaint to be considered by FOS, the claim involved must be under AUD500,000 (unless RBS and the Holder agree otherwise in writing).

6.10 Labour standards and environmental, social and ethical considerations

RBS will not take into account any labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment. An investment in Exchange Traded Certificates requires the Holder to select the applicable Reference Shares or Reference Indices. Should you wish to know whether a Reference Company takes into account any labour standards or environmental, social or ethical considerations, the Holder should make their own enquiries of the Reference Company.

6.11 Client money

RBS is entitled to keep the interest (if any) earned in respect of application moneys between the receipt of funds from an applicant and the issue of Exchange Traded Certificates or the return of the funds, as the case may be.

6.12 Nominee Deed

This section sets out a summary of some of the key terms of the Nominee Deed. The below summary does not purport to address every term of the Nominee Deed. A copy of the Nominee Deed is available free of charge to Holders by contacting RBS.

Each Holder obtains a beneficial interest in the Nominee Securities, subject to the terms of the Nominee Deed.

The Nominee agrees to hold the trust property on trust for the beneficiaries. The trust property includes the Nominee Securities. The beneficiaries of the trust are RBS (in respect of income) and Holders (in all other respects).

A Holder does not have any right to require the transfer to it of any Nominee Securities, to receive any payment in respect of any dividend paid in respect of the Nominee Securities, or to exercise (or direct the exercise) of any voting rights in respect of the Nominee Security.

The Nominee Securities may be substituted in certain circumstances, including upon the occurrence of a corporate action such as a takeover.

If the Nominee acts in good faith and without wilful default or negligence, the Nominee is not responsible to any Holder for any loss suffered in respect of the trust arrangement. The liability of the Nominee is in any event limited to the trust property.

The Nominee may be replaced in certain circumstances. The Nominee Deed may also be amended in certain limited circumstances.

7. Tax considerations

This section outlines some of the general Australian income tax, goods and services tax (**GST**) and stamp duty implications for an investor who purchases, holds, deals or Exercises Exchange Traded Certificates governed by the terms specified only in Part 2 of this PDS. Part 1 of the PDS may contain more specific terms applicable to a particular Series of Exchange Traded Certificates, which have not been taken into account in this section. Any specific terms for a Series of Exchange Traded Certificates should also be taken into account by an investor in determining the Australian income tax, GST and stamp duty implications of the relevant Series of Exchange Traded Certificates.

This section does not provide any comments on the application of foreign tax laws to Holders of Exchange Traded Certificates or Reference Shares. Unless indicated otherwise, legislative references in this section are to the provisions of the Income Tax Assessment Act 1997 (Cth) and Income Tax Assessment Act 1936 (Cth) (together, the "**Tax Act**") and capitalised terms are references to defined terms in the PDS.

The discussion contained in this section is of a general nature only and does not take into account each Holder's specific circumstances, should not be relied on by a Holder and should not be used as a substitute for a Holder obtaining their own tax advice. This section does not consider the tax implications for Holders that borrow money to fund the acquisition of their Exchange Traded Certificates. Investors that are considering borrowing money to fund the acquisition of Exchange Traded Certificates should obtain their own advice on the tax consequences of doing so.

The comments in this section apply to Holders of Exchange Traded Certificates that meet all of the following circumstances:

- i. the Holder is an Australian resident for tax purposes;
- ii. the Holder will acquire the Exchange Traded Certificates as an applicant under this PDS or on the ASX;
- iii. the Reference Company will not be a "connected entity" (as defined in subsection 995-1(1) of the Tax Act) of RBS;
- iv. no Reference Company will make frankable distributions for Australian tax purposes;
- v. the Holder will not hold their Exchange Traded Certificates or Reference Shares as trading stock;
- vi. the Holder will not be an attributable taxpayer in relation to the Reference Company under the controlled foreign company (CFC) rules contained in Part X of the Tax Act;
- vii. the Reference Shares will be quoted on a recognised stock exchange which is a member of the World Federation of

Exchanges and Exchange Traded Certificates will be quoted on the ASX;

- viii. all transactions Holders enter into in connection with their Exchange Traded Certificates will be at prevailing market prices and otherwise on arm's length terms; and
- ix. the number of Reference Shares that a Holder is entitled to receive on Exercise is a whole number.

If a Holder does not meet any one of these circumstances, the Holder should obtain tax advice specific to their situation.

The comments in this section are not binding on the Australian Taxation Office (**ATO**) or State revenue authorities (**OSRs**) and it is not assurance that the ATO or OSRs will agree with the comments in this section or that any contrary view of the ATO or OSRs would not ultimately be upheld by a Court.

This section has been prepared by Blake Dawson for the purposes of inclusion in this PDS and is based on the laws in force and administrative practice as at 28 June 2011. The comments expressed in this section are those of Blake Dawson and not RBS and address only the position of certain Holders who are Australian residents. Australian tax laws (and their interpretation by the Courts and their administrative practice) are subject to constant review and change and Holders and their advisors should monitor developments on a regular basis as future changes to the taxation laws could affect the tax consequences of investing in the Exchange Traded Certificates.

The representatives of Blake Dawson involved in preparing this section are not licensed to provide financial product advice in relation to dealing in securities. Blake Dawson does not seek to recommend, promote or otherwise encourage any Holder to purchase, hold, deal in or Exercise Exchange Traded Certificates offered by RBS under the PDS. The information provided in this letter does not take into account the objectives or circumstances of individual Holders and Holders should obtain their own independent taxation advice before making any decision to acquire Exchange Traded Certificates.

7.1 Capital account vs revenue account

The tax consequences of investing in the Exchange Traded Certificates will depend on whether a Holder holds their Exchange Traded Certificates on capital account or revenue account. A Holder may be regarded as holding their Exchange Traded Certificates on capital account where the Holder acquires the Exchange Traded Certificates with the reasonable intention of Exercising them and electing to receive delivery of the Reference Shares and then to hold the Reference Shares as a long term investment to derive distribution income.

A Holder who carries on a business of dealing in shares, derivatives or other securities, or who (at the time of acquiring the Exchange Traded Certificates) has a purpose of disposing of or Exercising their Exchange Traded Certificate for a profit as part of a commercial transaction, would generally be regarded as holding their Exchange Traded Certificates on revenue account (and not on capital account).

A Holder who acquires Exchange Traded Certificates in respect of a Reference Index (and who cannot acquire assets represented in the Reference Index on Exercise) would generally be regarded as holding their Exchange Traded Certificates on revenue account.

A Holder who acquires or holds Exchange Traded Certificates for the purpose of sale or exchange in the ordinary course of a business should generally be regarded as holding the Exchange Traded Certificates as trading stock. There are specific provisions in the Tax Act dealing with acquiring, holding and disposing of trading stock which are not discussed in this section. Such Holders should obtain their own advice on the application of the trading stock provisions to their situation.

7.2 Purchasing, holding, dealing and Exercising Exchange Traded Certificates

Capital account Holders

The Exchange Traded Certificates should be characterised as options for income tax purposes on the basis that on Exercise a contract arises under which RBS is bound to deliver Reference Shares to the Holder (subject to an election being made by the Holder that the option can be settled by RBS paying a Cash Amount or, for Exercise on the Expiry Date, a new Series of Exchange Traded Certificates). The Exchange Traded Certificates should not be a “security” for the purposes of the “traditional security” provisions in sections 26BB and 70B of the Tax Act or the “qualifying security” provisions in Division 16E of Part III of the Tax Act.

The purchase of Exchange Traded Certificates should not have any immediate tax consequences for a Holder on capital account. The Purchase Price or acquisition cost of the Exchange Traded Certificates together with any incidental costs of acquisition such as the Placement Fee or brokerage fees should be included in the cost base and reduced cost base of the Exchange Traded Certificates.

Any Income Amounts paid in respect of Exchange Traded Certificates over Reference Shares should be included in the assessable income of a Holder when derived. Holders will not be entitled to any foreign income tax offset for withholding tax which is taken into account in calculating the Income Amount. The Dividend Fee should be deductible when incurred by a Holder.

If Exchange Traded Certificates are sold on the ASX or otherwise disposed of (eg where the Holder instructs, or is taken to have instructed, RBS to sell sufficient Exchange Traded Certificates on their behalf to pay for Expenses, including the Management Fee, on Exercise of the Holder’s remaining Exchange Traded Certificates), the Holder will make a capital gain if the sale proceeds exceed the cost base of their Exchange Traded Certificates or a capital loss, if the reduced cost base of their Exchange Traded Certificates exceeds the sale proceeds.

If the Exchange Traded Certificates over Reference Shares are Exercised (on the Expiry Date or a Rolling Date (if applicable)) and the Holder elects to settle the contract that arises by receiving delivery of the underlying Reference Shares, any capital gain or capital loss made on Exercise should be disregarded. The cost base of the

Exchange Traded Certificate together with any amount the Holder pays to Exercise their Exchange Traded Certificates should be included in the cost base and reduced cost base of the Reference Shares (provided the amount has not been claimed separately as a deduction), which will be relevant in determining any capital gain or capital loss on a subsequent disposal of the Reference Shares.

If the Exchange Traded Certificates are Exercised (on the Expiry Date or a Rolling Date (if applicable)) and the Holder elects to settle the contract that arises on Exercise by receiving a Cash Amount or (in relation to Exercise on the Expiry Date) to Rollover to a new Series of Exchange Traded Certificates (if available), the Holder will make a capital gain if the capital proceeds from the event exceeds the cost base of their Exchange Traded Certificates or a capital loss, if the reduced cost base of their Exchange Traded Certificates exceeds the capital proceeds. If the Exchange Traded Certificates terminate otherwise than because of Exercise, the Holder will make a capital gain if the capital proceeds from the event exceed the cost base of their Exchange Traded Certificates or a capital loss, if the reduced cost base of their Exchange Traded Certificates exceeds the capital proceeds.

The capital proceeds will be either a Cash Amount or (in the case of Exercise on the Expiry Date or termination) the market value of the new Series of Exchange Traded Certificates or a Termination Amount or liquidated damages.

Any capital gain made by the Holder may be eligible for the capital gains tax (CGT) discount (see below).

The cost base and reduced cost base of the new Series of Exchange Traded Certificates obtained in a Rollover (upon Exercise on the Expiry Date) should be equal to their market value at the time of the Rollover.

In respect of an Exchange Traded Certificate which has one or more Rolling Dates, there should be no income tax consequences if the security is not Exercised on a Rolling Date.

Revenue account Holders

Where Exchange Traded Certificates are held by a Holder on revenue account (and not as trading stock), any profit made on the disposal, Exercise or termination of the Exchange Traded Certificates should be included in the Holder’s assessable income and any loss should be allowable as a deduction.

Any Income Amounts paid in respect of Exchange Traded Certificates over Reference Shares should be included in the assessable income of a Holder when derived. Holders will not be entitled to any foreign income tax offset for withholding tax which is taken into account in calculating the Income Amount. The Dividend Fee should be deductible when incurred by a Holder.

If the Exchange Traded Certificates are Exercised and the Holder elects to settle the contract that arises on Exercise by receiving delivery of the underlying Reference Shares, no profit or loss should be recognised on Exercise. The “revenue cost” of the Exchange Traded Certificates together with any amount the Holder pays to Exercise their Exchange Traded Certificates should be included in the “revenue cost” of the Reference Shares (provided the amount has not been claimed separately as a deduction), which should be taken into account in determining any gain or loss on a subsequent disposal of the Reference Shares.

The “revenue cost” of the new Series of Exchange Traded Certificates obtained in a Rollover should be equal to their market value at the time of the Rollover.

In respect of an Exchange Traded Certificates which has one or more Rolling Dates, there should be no income tax consequences if the security is not Exercised on a Rolling Date.

The Exchange Traded Certificates are also CGT assets. However, there are anti-overlap provisions in the Tax Act that broadly operate to reduce any corresponding capital gain or capital loss made by a Holder on revenue account by the amount of the respective assessable profit or deductible loss made by the Holder.

7.3 Holding Reference Shares

The Australian tax consequences of holding the Reference Shares will depend on the Holder's circumstances and Holders should obtain their own advice on the Australian and foreign tax consequences of holding the Reference Shares prior to giving RBS an Exercise Notice. Some of the issues which Holders should consider include:

- whether dividends and other distributions received in respect of the Reference Shares should be included in the Holder's assessable income;
- whether any foreign withholding tax which may be paid in respect of those distributions gives rise to an entitlement to a foreign income tax offset; and
- whether the receipt or payment of amounts in foreign currency give rise to foreign exchange gains and losses under Division 775 of the Tax Act.

7.4 Discount capital gains

If a Holder is an individual, trust or complying superannuation fund, the Holder may be entitled to discount CGT treatment on any capital gain made as a result of any of the following CGT events:

- Exercising the Exchange Traded Certificates; or
- disposing of their Exchange Traded Certificates; or
- disposing of the Reference Shares received on Exercise of their Exchange Traded Certificates,

where the Holder acquired the Exchange Traded Certificates or Reference Shares for CGT purposes at least 12 months prior to the date of the relevant CGT event. Where discount CGT treatment applies, a Holder may reduce their capital gains (after applying any available capital losses) by 50% if they are an individual or trust, or by 33¹/₃% if they are a complying superannuation fund. In the case of the disposal of Reference Shares acquired on Exercise of the Exchange Traded Certificates, a Holder will need to hold the Reference Shares for at least 12 months after the Reference Shares were acquired to qualify for the CGT discount in respect of any capital gain made in respect of the Reference Shares.

Discount CGT treatment is not available to Holders that are companies.

7.5 Taxation of financial arrangements

Division 230 of the Tax Act operates to tax gains and losses (including foreign exchange gains and losses) arising from certain "financial arrangements" on revenue account and in some cases on a compounding accruals basis.

Holders that are individuals will generally be exempt from the application of Division 230 of the Tax Act unless they make an election

for it to apply to them. Superannuation funds, managed investment schemes, financial entities and other entities which are considered small may also be exempt from the application of Division 230 of the Tax Act unless they make an election for it to apply to them. As the application the Division 230 of the Tax Act is dependent on the facts and circumstances of the Holder, Holders should obtain their own advice in relation to the potential applicability of Division 230 of the Tax Act, in light of their own individual facts and circumstances.

7.6 General anti-avoidance provisions

Part IVA of the Tax Act contains general anti-avoidance provisions which can operate to cancel certain tax benefits obtained by a taxpayer. The applicability of Part IVA of the Tax Act is something which can only be conclusively determined on a case-by-case basis in light of the relevant facts and circumstances arising for a particular taxpayer.

A Holder may be taken to have obtained a tax benefit if, very broadly, the tax outcomes under the scheme entered into by the Holder are more favourable than that which would, or might reasonably be expected to, have been the tax outcome if the scheme had not been entered into. However, even if a tax benefit has been obtained by a Holder, Part IVA can only apply if the scheme was entered into for the dominant purpose of obtaining that tax benefit. The existence of a dominant purpose should be determined on an objective basis, having regard to the list of relevant factual circumstances contained in Part IVA of the Tax Act.

Holders should not be affected by the general anti-tax avoidance provisions contained in Part IVA of the 1936 Act, provided that Holders have not invested in Exchange Traded Certificates as part of a scheme with the dominant purpose of obtaining a tax benefit.

7.7 Goods and services tax

GST should not be payable in respect of the purchase, sale, Exercise, Rollover or termination of the Exchange Traded Certificates or the transfer of the Reference Shares to Holders on Exercise of the Exchange Traded Certificates because all of these transactions should be financial supplies or supplies which are not connected with Australia. However, GST will be payable in respect of certain Expenses, brokerage, fees for advice commissions and other transaction fees incurred by RBS or Holders. In particular, the Management Fee includes GST and the Dividend Fee will attract GST.

Generally Holders will not be entitled to input tax credits in respect of GST on acquisitions they make. Where a Holder is registered for GST and their investment activities are part of an enterprise they carry on, the Holder may be entitled to a reduced input tax credit (currently 75%) in respect of some of this GST.

7.8 Stamp duty

Australian stamp duty should not be payable in respect of the purchase, sale, Exercise, Rollover or termination of the Exchange Traded Certificates. Australian stamp duty should not be payable on the transfer of the Reference Shares to Holders on Exercise of the Exchange Traded Certificates, provided that, at the relevant time, the Reference Shares are quoted on a stock exchange which is a member of the World Federation of Exchanges.

8. Description of the Exchange Traded Certificate Issuer

The RBS Group is a large international banking and financial services group. Headquartered in Edinburgh, the RBS Group operates in the United Kingdom, Europe, the Middle East, the Americas and the Asia-Pacific region, serving over 30 million customers. The RBS Group provides a wide range of products and services to personal, commercial and large corporate and institutional customers through its two principal subsidiaries, The Royal Bank of Scotland and NatWest, as well as through a number of other well-known brands, including Citizens, Charter One, Ulster Bank, Coutts, Direct Line and Churchill.

In the Asia-Pacific region, the RBS Group serves corporate, institutional and public sector clients in 11 countries and is a leading provider of corporate and financial services. The Group has had a presence in Australia since 1974 and has worked on some of the local market's largest and most complex transactions and projects for the Group's corporate, institutional and public sector clients.

RBS is a public limited company incorporated in Scotland with registration number SC090312. RBS is regulated by the Financial Services Authority in the United Kingdom and has registered with ASIC as a foreign company with ABN 30 101 464 528. RBS's registered office in Australia is provided in the Directory at the back of PDS Part 2.

As at 31 December 2010, RBS had net assets of GBP 76.556 billion. This figure is updated from time to time at www.rbs.com.au/warrants.

The value of the Exchange Traded Certificates and the ability of RBS to meet its obligations in respect of Exchange Traded Certificates depends on, among other things, the financial performance of RBS. The obligations of RBS are unsecured obligations which rank equally with all other unsecured obligations of RBS. RBS's obligations in respect of the Exchange Traded Certificates are not guaranteed by any party.

Financial information for the RBS Group is available at www.investors.rbs.com, however, please note that no other RBS Group entity is guaranteeing the obligations of RBS in respect of the Exchange Traded Certificates and therefore any financial information regarding other RBS Group entities is not directly relevant to your decision whether or not to invest in the Exchange Traded Certificates. You should instead focus on the financial information relating to RBS itself and not the RBS Group.

Holders must make their own assessment of RBS's ability to meet its obligations in respect of the Exchange Traded Certificates. Additional information can be located at the global website, www.rbs.com, or the Australian website, www.rbs.com.au.

9. Glossary

In this PDS unless the context otherwise requires:

“Accretions” means all rights and entitlements attaching to any Reference Shares after the date of issue of the Exchange Traded Certificate over a Reference Share including, without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options or other Reference Shares exercisable, declared, paid or issued in respect of the Reference Shares.

“Adjustment Event” means, in respect of a Reference Share or any component of a Reference Index for a particular Series of Exchange Traded Certificates (where each of these or any element of them is a “Relevant Asset”), any of the following events:

- a. where the Relevant Asset is a security or an interest in a managed investment scheme:
 - i. the actual or proposed adoption of any procedure, event or action which is, or which is likely to result in, any cash return of capital, pro rata cash distribution, capital reduction, liquidator’s distributions, share buy-back, bonus issue, rights issue, arrangement, scheme of arrangement, compromise, merger, demerger, reconstruction, compulsory acquisition, redemption, cancellation, replacement, modification, subdivision or consolidation, reclassification, Takeover Bid, tender offer, special dividend, non-cash dividend, share split or any other similar or like event;
 - ii. any event which is, or which results in, the actual or proposed administration, liquidation, winding up or termination of the issuer or Sponsor of the Relevant Asset or other similar or like event (however described);
 - iii. any event which is, or which results in, the actual or proposed de-listing of the Relevant Asset or the actual or proposed removal from quotation of the Relevant Asset or the actual or proposed Suspension from trading of the Relevant Asset other than a trading Suspension on the ASX or other exchange on which an issuer or Sponsor of a Relevant Asset is listed which lasts for less than two Business Days; or
 - iv. any Takeover Bid is made or announced for all or any of the Relevant Assets;
 - v. Nationalisation of the Relevant Assets (or one or more of the components that comprise the Relevant Assets);
 - b. where the Relevant Asset is an index:
 - vi. the Relevant Asset is Suspended or ceases to be published for a period of 24 hours or more (or is permanently cancelled);
 - vii. the Relevant Asset is not calculated and the level of the Relevant Asset is not announced by the Sponsor of the index, but is calculated and announced by a successor sponsor or provider;
 - viii. the Relevant Asset is replaced by a successor index using the same or substantially similar formula and method of calculation;
 - ix. there is a Suspension or material limitation on trading of securities generally on a Relevant Exchange or Related Exchange for a period of 24 hours or more;
 - x. the Sponsor of the index or any successor makes a material change in the formula for or the method of calculating the Relevant Asset or in any way materially modifies that Relevant Asset; or
 - xi. there is a Suspension or material limitation on trading of securities or Component Contracts that comprise an index generally on a Relevant Exchange or Related Exchange for a period of 24 hours or more;
- For the purpose of determining whether such Suspension or limitation is material, if trading in a security included in the index is Suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the index shall be based on a comparison of (x) the portion of the level of the index attributable to that security relative to (y) the overall level of the index, in each case immediately before that Suspension or limitation;
- c. any force majeure event (including without limitation any force of nature, industrial action or action or inaction by a government agency) occurs, or any other event occurs which RBS determines, in good faith and acting reasonably, results in the performance of its obligations in respect of that Exchange Traded Certificate being or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise;
 - d. RBS:
 - i. is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position it deems reasonably necessary to hedge the risk of entering into and performing its obligations with respect to the Exchange Traded Certificates; or
 - ii. is unable to realise, recover or remit the proceeds of any Hedge Position referred to in paragraph (d); or
 - iii. would incur a materially increased (as compared with circumstances existing on the Listing Date for that Exchange Traded Certificate) amount of tax, duty, expense

or fee (other than brokerage commissions) to do any of the things specified in paragraphs (d)i or (d)ii;

- e. a Change of Law occurs;
- f. it is announced that any of the Reference Shares for that Exchange Traded Certificates, or all, or substantially all, of the assets of the relevant Reference Company are, or will be, nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- g. there is any change announced to any applicable short selling laws or government interpretation of applicable short selling laws in Australia or any other relevant jurisdiction;
- h. a Conversion Event occurs in respect of the Settlement Currency or the currency of the Reference Share or the assets represented in the Reference Index;
- i. any actual or proposed event that may reasonably (in RBS's opinion), be expected to lead to any of the events referred to in paragraphs (a) to (h) of this definition occurring;
- j. the issuer of currency in Australia or the jurisdiction of the Reference Share or the assets represented in the Reference Index defaults or delays in payment of any amount, or declares a moratorium, standstill, waiver or deferral in payment of any amount, or unilaterally amends or seeks to amend the terms of its payment obligations;
- k. the issuer of currency in Australia or the jurisdiction of the Reference Share or the assets represented in the Reference Index imposes any restrictions or exchange controls which in the reasonable opinion of RBS have or may have a material impact on Exchange Traded Certificates, the Reference Company or the Reference Shares; or
- l. any Extraordinary Event;
- m. a Market Disruption Event;
- n. a Corporate Adjustment; or
- o. any other event which RBS reasonably declares to be an Adjustment Event.

"Application" means the process of making an application through the Offer Period, as described in Section 2.6 of this PDS Part 2.

"Application Form" means the form for application prescribed by the Issuer from time to time.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means, as the context requires, the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691), or ASX Limited itself (or any successor exchange or operator).

"ASX Code" means, in relation to a Series of Exchange Traded Certificates, the trading code given to the Exchange Traded Certificates by the ASX for that Series as set out in Part 1 of this PDS.

"ASX Operating Rules" means the operating rules of the ASX, as amended from time to time.

"ASX Settlement" means ASX Settlement Pty Limited (ABN 49 008 504 532) or any successor.

"ASX Settlement Operating Rules" means the operating rules of ASX Settlement.

"Australian Dollars" means the lawful currency of Australia.

"Beneficial Interest" means the beneficial interest which a Holder acquires in the Nominee Securities (and any other trust property in respect of which the Holder is a beneficiary).

"Business Day" has the meaning given to that term by the ASX Operating Rules.

"Calculation Agent" means RBS or such other calculation agent as appointed by RBS in its absolute discretion.

"Cash Amount" means an amount determined in accordance with the following formula:

[Exit Value / Settlement Exchange Rate] – Expenses, rounded to the nearest whole cent.

"Change of Law" means that due to the adoption of, or any change in any applicable law or regulation in any jurisdiction (including without limitation any taxation legislation) or due to the promulgation or any change in the interpretation (by any court, tribunal or regulatory authority with competent jurisdiction) of any applicable law or regulation in any jurisdiction (including any action taken by a taxing authority) RBS determines in good faith that it has become illegal for any party to hold, acquire or dispose of the Exchange Traded Certificates or the Reference Shares or any Hedge Position or it has become illegal for RBS or any other party, or RBS or any other party will incur a materially increased cost, to perform its obligations under the Terms (including due to any increase in tax liability decrease in tax benefit or other adverse effect on its tax position).

"CHES" means the Clearing House Electronic Subregister System operated by ASX Settlement.

"Closing Index Level" means, in respect of a Reference Index, the closing level of that Reference Index as determined by RBS at the time of calculation of the Closing Index Level.

"Closing Price" means, in respect of a Reference Share, the price of that Reference Share at the close of ordinary trading on the Relevant Exchange and as published by the Relevant Exchange (excluding pre-market and after hours trading) as determined by RBS at the time of calculation of the Closing Price.

"Closing Time" means, in respect of an Exercise Period, 12:00pm on a Rolling Date or 12:00pm on the Expiry Date, as applicable.

"Completion Date" means, in relation to Exchange Traded Certificates, the day which is 11 Business Days after the relevant Rolling Date (if applicable) or the day which is 11 Business Days after the Expiry Date, as applicable.

"Conversion Event" means, in relation to a calculation, conversion or payment from one currency into another currency, any event which, in RBS's opinion, makes it impractical for either currency to be calculated, converted, delivered or paid.

"Corporate Adjustment" means, in respect of a Reference Share, the occurrence of any one or more of the following events:

- a. a subdivision, consolidation or reclassification of the Reference Share;
- b. a distribution, issue or dividend (whether by way of bonus, capitalisation or similar issue) to holders of the Reference Share

- of (i) Reference Shares; or (ii) other share capital granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Reference Company (or any other entity); or (iii) share capital or other Reference Shares of another issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets;
- c. a call by the Reference Company in relation to any Reference Share that is not fully paid;
 - d. in respect of the relevant Reference Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Reference Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides for a distribution of preferred stock, warrants, debt instruments or stock rights or other securities;
 - e. a redemption, cancellation or re-purchase by the relevant Reference Company or any of its subsidiaries of securities, whether out of profits or capital and whether the consideration for such redemption, cancellation or repurchase is cash, securities or otherwise;
 - f. a tender offer, exchange offer or a Takeover Bid for the Reference Share or any analogous offer;
 - g. a consolidation, amalgamation, de-merger, merger or binding share exchange of the relevant Reference Company with or into another entity or person;
 - h. it is announced that the Reference Share will be de-listed from the Relevant Exchange on which such Reference Share was listed and is re-listed on another exchange acceptable to RBS;
 - i. any amendment or change to the terms, or cancellation, of a Corporate Adjustment previously announced by a Reference Company; and
 - j. any other event which RBS determines, with the consent of ASX, should be a Corporate Adjustment.

For the avoidance of doubt, any event which constitutes an ordinary dividend or distribution shall not constitute a Corporate Adjustment.

“Corporations Act” means the Corporations Act 2001 (Cth), as amended from time to time.

“Designated Distributor” means the distributor authorised by RBS to sell Exchange Traded Certificates during the Subscription Period (if applicable). Investors should note that a Designated Distributor and Subscription Period may not be applicable to every Series of Exchange Traded Certificates and should refer to the Summary Table in Part 1 of the PDS for further details.

“Dividend Fee” means, in relation to each Series of Exchange Traded Certificates, a fee payable by a Holder to RBS being the percentage specified in the Summary Table for that Series multiplied by any Income Amount (exclusive of GST). The Dividend Fee, together with any applicable GST, is paid on the Holder’s behalf by deducting it from the Income Amount payable to the Holder.

“Exchange Traded Certificate” means each Exchange Traded Certificate issued under this PDS.

“Exercise” means the exercise of an Exchange Traded Certificate, in accordance with clause 7 of the Terms.

“Exercise Notice” means a notice in the form to be circulated by RBS prior to a Rolling Date (if applicable) or the Expiry Date.

“Exercise Period” means

- a. in respect of a Rolling Date (if applicable), the period from the date 20 Business Days before the Rolling Date to the Closing Time on that Rolling Date; and
- b. in respect of the Expiry Date, the period from the date 20 Business Days before the Expiry Date to the Closing Time on the Expiry Date.

“Exit Value” means, as at a Rolling Date (if applicable) or the Expiry Date:

- a. in respect of Exchange Traded Certificates over Reference Shares:
 - i. the most recent Closing Price of the Reference Share on the Relevant Exchange multiplied by the Multiplier; and
 - ii. if, in the reasonable determination of the Calculation Agent, the most recent closing price of the Reference Share on the Relevant Exchange cannot be determined, or is not in the reasonable opinion of the Calculation Agent reflective of true supply and demand in respect of the Reference Share, or a Market Disruption Event has occurred, an amount determined by the Calculation Agent acting reasonably and in good faith as the Exit Value having regard to the then prevailing market conditions, the Multiplier, the last reported price of the Reference Share and such other factors as the Calculation Agent determines relevant.
- b. in respect of Exchange Traded Certificates over Reference Indices:
 - i. the most recent Closing Index Level of the Reference Index multiplied by the Multiplier; and
 - ii. if, in the reasonable determination of the Calculation Agent, the most recent Closing Index Level of the Reference Index cannot be determined, or is not in the reasonable opinion of the Calculation Agent reflective of true supply and demand in respect of the assets constituting the Reference Index, or a Market Disruption Event has occurred, an amount determined by the Calculation Agent acting reasonably and in good faith as the Exit Value having regard to the then prevailing market conditions, the Multiplier, the last reported Closing Index Level and such other factors as the Calculation Agent determines relevant, in each case multiplied by one Australian Dollar.

“Expenses” means, the total amount, in Australian Dollars, of:

- a. any incidental costs, including unwinding of hedging arrangements, Transfer Taxes and/or expenses and brokerage (if applicable) incurred by RBS in relation to the Exercise or early termination of an Exchange Traded Certificate; and
- b. the Management Fee as aggregated for each day during the term of the Exchange Traded Certificate.

See Section 5 of this PDS Part 2 for further information on how Expenses are calculated.

“Expiry Date” means, in relation to each Series, the date set out in Part 1 of the PDS for that Series. For more information on the

action you can take prior to the Closing Time on the Expiry Date, see Section 2.12 of this PDS Part 2.

“Extraordinary Event” means,

- a. in respect of an Exchange Traded Certificate over a Reference Share, any of the following events:
 - i. the actual or proposed cessation of quotation or cancellation of any Reference Share (whether by reason of delisting, removal from quotation, suspension or otherwise) including without limitation the announcement of any proposed compulsory acquisition of Reference Shares (or any analogous event);
 - ii. the insolvency of the Reference Company;
 - iii. the actual or proposed delisting, withdrawal of admission to trading status of the Exchange Traded Certificates (except in the case where that withdrawal or suspension is caused by RBS) and/or a Reference Share;
 - iv. a material limitation of the ability of RBS to comply with the ASX Operating Rules (except in the case where that material limitation is caused by RBS);
 - v. an Adjustment Event; or
 - vi. an Exchange Traded Certificate ceasing to be an “Approved Financial Product” (as that term is defined in the ASX Settlement Operating Rules),
- b. in respect of an Exchange Traded Certificate over a Reference Index, any event which is or results in the suspension or unavailability of, or the inability to calculate, the Reference Index, except where the suspension is caused by RBS,

but only to the extent that RBS has nominated the event as an Extraordinary Event under clause 10 of the Terms.

“GST” has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

“Hedge Position” means any purchase, sale, entry into, or maintenance of one or more financial products by RBS or any affiliate of RBS in order to hedge any of RBS’s obligations under these Terms.

“Holder” means in relation to an Exchange Traded Certificate, the person named in the Register as the Holder of that Exchange Traded Certificate.

“Income Amount” means, in respect of an ordinary dividend or distribution payable in respect of a Reference Share, an amount equal to that ordinary dividend or distribution, less any withholding tax (or similar tax) which is or would be payable by a person in the position of RBS receiving such a dividend or distribution.

“Listing Date” means, in relation to each Series of Exchange Traded Certificates, the date on which such Series commences quotation on the ASX as set out in “Important information” in Part 1 of the PDS for that Series.

“Management Fee” means, in respect of an Exchange Traded Certificate, an amount calculated as follows:

For an Exchange Trade Certificate over a Reference Index:

$$\text{Management Fee} = \text{Closing Index Level} \times \text{Multiplier} \\ / \text{Settlement Exchange Rate} \\ \times (\text{Management Fee Rate} / 365)$$

For an Exchange Traded Certificate over a Reference Share:

$$\text{Management Fee} = \text{Closing Price} \times \text{Multiplier} \\ / \text{Settlement Exchange Rate} \\ \times (\text{Management Fee Rate} / 365)$$

The Management Fee is inclusive of GST.

See Section 5.5 of this PDS for more information about the Management Fee.

“Management Fee Rate” means, in relation to a Series of Exchange Traded Certificates, the annual rate of the Management Fee applicable to that Series, as set out in the Summary Table in Part 1 of this PDS, and as amended from time to time by RBS.

“Market Disruption Event” means,

- a. in respect of an Exchange Traded Certificate over Reference Shares:
 - i. the occurrence or existence on any trading day during the one hour period that ends at the official close of trading on the Relevant Exchange or any Related Exchange of any suspension or limitation imposed on trading or the disruption or impairment in the ability of market participants in general to effect transactions in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):
 - the Reference Shares on the Relevant Exchange or any Related Exchange; or
 - any financial products relating to the Reference Share on any Related Exchange, if, in the reasonable determination of the Calculation Agent, such suspension or limitation is material; or
 - ii. a general moratorium is declared in respect of banking activities in the country in which a Relevant Exchange or any Related Exchange is located; or

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Relevant 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 Relevant Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

“Maximum Issue Size” means, in relation to each Series, the number of Exchange Traded Certificates set out in Part 1 of the PDS or, if the ASX on the application of RBS made after the date of the PDS admits further Exchange Traded Certificates for that Series to trading status on the ASX, the number of Exchange Traded Certificates for that Series set out in Part 1 of the PDS plus the additional number of Exchange Traded Certificates for that Series admitted to trading status after the date of this PDS.

“Minimum Subscription” means, in relation to each Series, the minimum investment amount in respect of the purchase of Exchange Traded Certificates set out in the Summary Table in Part 1 of the PDS for that Series.

“Multiplier” means, in respect of an Exchange Traded Certificate, the figure for that Series of Exchange Traded Certificates set out in the Summary Table in Part 1 of this PDS.

“Nationalisation” means that all the stock or securities of a share company or all the assets or substantially all the assets of a share company, any assets relevant to any Relevant Asset (or components that comprise any Relevant Asset) are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“Nominee” means RBS Nominees (Australia) Pty Limited ABN 350 94 599 989.

“Nominee Deed” means the nominee deed entered into by RBS and the Nominee, as described in Section 6.12 of this PDS Part 2.

“Nominee Securities” means the securities held on trust for Holders under the Nominee Deed, being one ordinary share in the capital of BHP Billiton Limited, or any substitute security from time to time, in each case as adjusted in accordance with the Nominee Deed.

“Offer Closes” means, in relation to each Series, the date set out in “Important information” in Part 1 of the PDS for that Series.

“Offer Opens” means, in relation to each Series, the date set out in “Important information” in Part 1 of the PDS for that Series.

“Offer Period” means, in relation to each Series, the period commencing on the Offer Opens date and finishing on the Offer Closes date. During the Offer Period, Exchange Traded Certificates will be issued at the Placement Price.

“PDS” or “Product Disclosure Statement” means this product disclosure statement.

“Placement Fee” means the fee which forms part of the Placement Price as set out in PDS Part 1.

“Placement Price” means, in relation to each Exchange Traded Certificate, the amount paid for subscription of that Exchange Traded Certificate in the Subscription Period (if applicable) and Offer Period as described in Section 2.6 of this PDS Part 2, as determined in accordance with the formula set out in Section 2.7 of this PDS Part 2.

“Placement Pricing Date” is a date determined by the Issuer at its discretion upon which the Placement Price is set.

“Price Source” means the source of the price of the Reference Share or Reference Index for an Exchange Traded Certificate, as set out in the Summary Table of Part 1 of the PDS.

“Purchase Price” means, in relation to an Exchange Traded Certificate purchased in secondary trading on the ASX, the amount paid to purchase that Exchange Traded Certificate.

“RBS” means The Royal Bank of Scotland plc (ABN 30 101 464 528 AFSL: 241114).

“RBS Equities” means RBS Equities (Australia) Limited (ABN 84 002 768 701), with its registered office at RBS Tower, Level 22, 88 Phillip Street, Sydney, New South Wales, 2000.

“RBS Group” means RBS, RBS Equities and each of their respective related bodies corporate.

“Record Date” means, in respect of an Income Amount, the date which is the record date (or equivalent date, howsoever described) for the corresponding ordinary dividend or distribution declared by the Reference Company in respect of the Reference Share.

“Reference Company” means, in relation to a Series of Exchange Traded Certificates over a Reference Share, the entity listed in the Summary Table in Part 1 of the PDS.

“Reference Index” means, in respect of an Exchange Traded Certificate, the Index specified in the Summary Table in Part 1 of this PDS as it may be varied by the Terms.

“Reference Shares” means, in respect of an Exchange Traded Certificate, the security set out in the Summary Table in Part 1 of this PDS as it may be varied by the Terms.

“Register” means the Register of Holders kept and maintained under clause 17 of the Terms.

“Registrar” means any person RBS may appoint, from time to time, to maintain the Register.

“Related Exchange” means any exchange or quotation system other than the Relevant Exchange on which the Reference Share, or derivative contracts relating to the Reference Share, are traded.

“Relevant Exchange” means,

- a. in respect of an Exchange Traded Certificate over a Reference Share, the exchange or quotation system specified as such in the summary table in Part 1 of this PDS, or any successor to such exchange or quotation system; and
- b. in respect of an Exchange Traded Certificate over a Reference Index, any exchange or market on which the assets represented in the Reference Index are able to be traded.

“Rolling Date” means, in relation to each Series, each date set out in Part 1 of the PDS for that Series. For more information on the action you can take prior to the Closing Time on a Rolling Date, see Section 2.12 of this PDS Part 2. If no Rolling Date is specified in Part 1 of this PDS for a particular Series of Exchange Traded Certificates, there are no Rolling Dates for that Series and you should disregard any references to a “Rolling Date” in this PDS and the Terms.

“Rollover” means, in relation to an Exchange Traded Certificate, the replacement of an Exchange Traded Certificate of an existing Series with an Exchange Traded Certificate in a new Series that relates to the same Reference Share as provided for in clause 7.5(iii) of the Terms.

“Series” means each series of Exchange Traded Certificates issued by RBS from time to time.

“Settlement Currency” means Australian Dollars unless otherwise specified in the Summary Table of Part 1 of the PDS.

“Settlement Exchange Rate” means:

- a. subject to paragraph c, in the case of an Exchange Traded Certificate over a Reference Share, the rate of foreign exchange between the currency of the Reference Share 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 the relevant time; and
- b. subject to paragraph c, in the case of an Exchange Traded Certificate over a Reference Index, the foreign exchange rate between the two currencies specified for that Series in the Summary Table in PDS Part 1.
- c. if specified as a single number for that Series in the Summary Table in PDS Part 1, that number.

“Sponsor” means, in respect of a Reference Index, the corporation or other entity that:

- a. is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Reference Index; and
- b. announces (directly or through an agent) the level of the Reference Index on a regular basis during each trading day.

“Subscription Closes” means, in relation to each Series, the date set out in “Important information” in Part 1 of the PDS for that Series.

“Subscription Opens” means, in relation to each Series, the date set out in “Important information” in Part 1 of the PDS for that Series.

“Subscription Period” means, in relation to each Series, the period commencing on the Subscription Opens date and finishing on the Subscription Closes date. During the Subscription Period, Exchange Traded Certificates will be issued at the Placement Price. Investors should note that a Designated Distributor and Subscription Period may not be applicable to every Series of Exchange Traded Certificates and should refer to the Summary Table in Part 1 of the PDS for further details.

“Suspension” or **“Suspend”** means any temporary cessation of the quotation of the Exchange Traded Certificates or a Reference Share (or a component of a Reference Index), including, without limitation, a trading halt, suspension or removal from trading on the Relevant Exchange or Related Exchange (as the context requires);

“Takeover Bid” means a Takeover Bid as defined in the Corporations Act or the equivalent foreign action under the relevant foreign jurisdiction’s legislation with respect to a Reference Share or component of a Reference Index.

“Termination Amount” means, in respect of an Exchange Traded Certificate which has terminated, the amount determined by the Calculation Agent (acting in a commercially reasonable manner) as the value of an Exchange Traded Certificate on the date of that termination (which may be zero), taking into account (amongst other things) the volatility of the price or value of the Reference Share or Reference Index (as applicable), the level of interest rates, the time remaining until the Expiry Date, the future expected dividends or distributions of the relevant Reference Share (if any, in the case of an Exchange Traded Certificate over a Reference Share)) and the value of, and any losses or costs incurred by RBS in connection with, any Hedge Positions held by RBS or any other RBS Group entity in relation to the Exchange Traded Certificate and less Expenses.

“Terms” means the terms of issue of the Exchange Traded Certificates set out in Section 10 of this PDS Part 2 as amended from time to time and the application form for the issue of the Exchange Traded Certificates.

“Transfer Tax” means, in respect of Exercise of Exchange Traded Certificates, any stamp duty, goods and services tax, transaction tax or any other similar governmental tax or charge, payable on, as a consequence of, or in connection with, the Exercise of the Exchange Traded Certificates.

“U.S. Person” has the meaning given in clause 30 of the Terms in Section 10 of this PDS Part 2.

10. Terms of issue

The Terms form part of this PDS.

1.1 Unless the context otherwise requires, in these Terms:

- a. a reference to any legislation or legislative provisions includes any statutory modification or re-enactment of, or legislative provisions substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- b. the singular includes the plural and vice versa;
- c. a reference to any individual or person includes a corporation, partnership, joint venture associations, authority, trust, government and governmental authority and vice versa;
- d. a reference to a gender includes all genders;
- e. a reference to a clause is to a clause of these Terms;
- f. a reference to any agreement or document (including, without limitation, these Terms, the ASX Operating Rules and the ASX Settlement Operating Rules) is to that agreement or document (and, if applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- g. a reference to "Dollar", "cents", "A\$" and "\$" is a reference to Australian currency;
- h. if any expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- i. a reference to a date or time is to that date or time in Sydney; and
- j. expressions appearing in the Terms which are not otherwise defined in the Terms and which are defined in the Corporations Act have the meaning given to them in the Corporations Act.

1.2 Headings are for convenience only and do not affect interpretation.

1.3 To the extent of any inconsistency between these Terms and the ASX Operating Rules or the ASX Settlement Operating Rules, the ASX Operating Rules and the ASX Settlement Operating Rules will prevail.

2. Form and title

2.1 The Exchange Traded Certificates will be transferable in accordance with the applicable law and the rules and

procedures governing CHES and the ASX Settlement Operating Rules.

2.2 RBS will not issue a certificate evidencing the Holder's title to Exchange Traded Certificates. RBS will instead comply with the ASX Settlement Operating Rules.

3. Status

3.1 The Exchange Traded Certificates and RBS's obligations under these Terms constitute unsecured and unsubordinated obligations of RBS and rank pari passu among themselves and with all other present and future unsecured and unsubordinated obligations of RBS save for those preferred by mandatory provisions of law.

4. Nature of the Exchange Traded Certificates

4.1 In return for the Holder paying the Placement Price in respect of an Exchange Traded Certificate to RBS and subject to the Terms RBS agrees to grant the Exchange Traded Certificate to the applicant.

4.2 Each Exchange Traded Certificate confers on the Holder:

- a. the right, but not the obligation, to give RBS an Exercise Notice during each Exercise Period; and
- b. a Beneficial Interest in the Nominee Securities.

4.3 Subject to clause 4.6, an Exchange Traded Certificate does not confer any right or interest in respect of Accretions to any Reference Shares or any assets represented in a Reference Index.

4.4 An Exchange Traded Certificate does not confer any right to or interest in any Reference Share (in the case of an Exchange Traded Certificate over a Reference Share) unless and until the contract described in clause 7.5 arises.

4.5 The Holder irrevocably agrees to be bound by the terms of the Nominee Deed.

4.6 In the case of an Exchange Traded Certificate over a Reference Share, RBS must pay the Income Amount corresponding to an ordinary dividend or distribution (as determined by RBS, acting reasonably) paid in respect of a Reference Share to the bank account advised by the Registrar in respect of the person registered as the Holder on the Record Date, within ten Business Days of the payment of the relevant ordinary dividend or distribution.

4.7 In the case of an Exchange Traded Certificate over a Reference Share, the Holder irrevocably authorises RBS to deduct the Dividend Fee and any applicable GST from the Income Amount.

5. Transfer of Exchange Traded Certificates

5.1 An Exchange Traded Certificate may be transferred if, and only if, the transfer is in the manner prescribed by or under the ASX Operating Rules and the ASX Settlement Operating Rules.

5.2 The transferor of the Exchange Traded Certificate will be regarded as remaining the owner of the Exchange Traded Certificate the subject of the transfer, until the name of the transferee is entered in the Register as the Holder in respect of the Exchange Traded Certificate.

5.3 On registration of the transfer of the Exchange Traded Certificate, the transferee will be recognised as entitled to the Exchange Traded Certificate free from any equity, set off or cross-claim of RBS against the transferor.

5.4 Any person becoming entitled to the Exchange Traded Certificate in consequence of the death, unsoundness of mind or bankruptcy of any Holder, upon producing such evidence as RBS reasonably requires that the person holds the office in respect of which it is proposed to act or as to title as successor to the Holder, may transfer the Exchange Traded Certificate.

6. Registration of transfer of Exchange Traded Certificates

6.1 RBS:

- a. must deal with, certify and register a transfer of an Exchange Traded Certificate which complies with clause 5 in accordance with the ASX Operating Rules and the ASX Settlement Operating Rules; and
- b. may refuse to register such a transfer in any of the circumstances if such refusal is permitted by, and in accordance with any procedures prescribed by, the ASX Operating Rules and the ASX Settlement Operating Rules.

6.2 No fee will be charged for the registration of a transfer.

7. Exercise of Exchange Traded Certificates

7.1 An Exchange Traded Certificate may only be Exercised by giving a validly completed Exercise Notice.

7.2 Subject to clause 7.4, an Exercise Notice is effective, if and only if:

- a. it relates to all (and not some only) of the Exchange Traded Certificates in a Series registered to that Holder;
- b. it elects to settle the contract under clause 7.5 by:
 - i. receiving the Reference Shares (in the case of Exchange Traded Certificates over Reference Shares);
 - ii. receiving the Cash Amount; or
 - iii. (in the case of an Exercise Notice given in the final Exercise Period and only if available) choosing to Rollover into a new Series of Exchange Traded Certificates;
- c. it is given by the Holder or a person who is entitled to be registered as the Holder;

- d. in the case of an Exercise Notice given by a person not registered as the Holder, it states that the person giving the Notice claims to be entitled to be registered as the Holder;
- e. the relevant Exchange Traded Certificates Exercised have not terminated under clause 8 by the time that the Notice is given;
- f. it certifies that the Holder is a person who is in Australia or a person who would not cause RBS to be in breach of the securities laws of any country other than Australia if the Exchange Traded Certificates are offered, issued or transferred to that person;
- g. if the Exercise Notice elects to receive Reference Shares, the Exercise Notice contains acceptable account details enabling RBS to deliver the relevant Reference Shares;
- h. the Exercise Notice is complete and accurate in all particulars; and
- i. in the case of Exchange Traded Certificates over Reference Shares, it is accompanied by either payment of any applicable Expenses, with such payment being received in cleared funds by RBS by the end of the Rolling Date or by the end of the fifth Business Day after the Expiry Date (as applicable), or the Exercise Notice authorises RBS to procure the sale of sufficient Reference Shares to pay any Expenses (this authority to procure the sale of Reference Shares to pay Expenses will be deemed to have been given by the Holder if RBS does not receive payment of any applicable Expenses in cleared funds by RBS by the end of the fifth Business Day after the Expiry Date).

7.3 An Exercise Notice given to RBS cannot be revoked.

7.4 If more than one Exercise Notice which complies with the requirements of clause 7.2 is given in respect of an Exchange Traded Certificate, RBS will determine which Exercise Notice is to be taken to be the effective Exercise Notice for the purpose of these Terms. This will be the Exercise Notice which RBS reasonably believes was given by person who was entitled to be the registered as Holder of those Exchange Traded Certificates as at the relevant Closing Time.

7.5 Subject to clause 7.6, if an effective Exercise Notice is given in respect of Exchange Traded Certificates then:

- a. in the case of Exchange Traded Certificates over Reference Shares, as at the relevant Closing Time a contract arises under which RBS is obliged to deliver the Reference Shares to the Holder. This contract can be settled in the following ways:
 - i. where the Holder has elected to receive the Reference Shares, RBS transferring the relevant Reference Shares to the Holder (being, in respect of each Exchange Traded Certificate, the number of Reference Shares equal to the Multiplier), free from any security or third party interest or restriction on transfer;
 - ii. where the Holder has elected to receive a Cash Amount, RBS transferring the Cash Amount for the Exchange Traded Certificates to the Holder; and
 - iii. where the Holder has elected to Rollover a number of Exchange Traded Certificates, RBS issuing to the Holder a number of Exchange Traded Certificates

in the relevant new Series of Exchange Traded Certificates calculated in accordance with the following formula:

$(\text{Cash Amount} / \text{Rollover Price}) \times \text{number of expiring Exchange Traded Certificates}$

Where:

the Cash Amount is an amount equal to the Cash Amount which would have been payable had the Holder elected to receive the Cash Amount in respect of the Exchange Traded Certificates the subject of the Exercise Notice and Rollover; and

the Rollover Price is the price at which an Exchange Traded Certificate in the new Series is issued,

in each case, on or before the relevant Completion Date; and

- b. in the case of Exchange Traded Certificates over a Reference Index, as at the relevant Closing Time a contract arises under which RBS is obliged to pay the Cash Amount to the Holder. This contract can be settled in the following ways:
 - i. where the Holder has elected to receive a Cash Amount, RBS transferring the Cash Amount for the Exchange Traded Certificates to the Holder; and
 - ii. where the Holder has elected to Rollover a number of Exchange Traded Certificates, RBS issuing to the Holder a number of Exchange Traded Certificates in the relevant new Series of Exchange Traded Certificates calculated in accordance with the following formula:

$(\text{Cash Amount} / \text{Rollover Price}) \times \text{number of expiring Exchange Traded Certificates}$

Where:

The Cash Amount is an amount equal to the Cash Amount which would have been payable had the Holder elected to receive the Cash Amount in respect of the Exchange Traded Certificates the subject of the Exercise Notice and Rollover; and

The Rollover Price is the price at which an Exchange Traded Certificate in the new Series is issued,

in each case, on or before the relevant Completion Date.

7.6 The contract described in clause 7.5 above terminates automatically and is of no effect if any of the following occurs:

- a. where the Exercise Notice was given by a person who was not registered as the Holder at the time the Exercise Notice was given, the person does not become registered as the Holder by the end of the fifth Business Day after the Rolling Date or the Expiry Date (as applicable); or
- b. the Exchange Traded Certificates otherwise terminate on or before the relevant Completion Date.

7.7 Exercise and settlement of the Exchange Traded Certificate is subject to all applicable laws, regulations and practices in force at the relevant time and neither RBS nor any Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither RBS nor the Calculation

Agent shall under any circumstances be liable for any acts or omissions of ASX Settlement in relation to the performance of its duties in relation to the Exchange Traded Certificate.

8. Termination of Exchange Traded Certificate

8.1 An Exchange Traded Certificate automatically terminates on the earliest of the following:

- a. Extraordinary Event – if there is an Extraordinary Event, with that termination taking effect on and from the date nominated by RBS (with the consent of the ASX);
- b. termination for non-Exercise – If a valid Exercise Notice is not given in respect of the Exchange Traded Certificate before the Closing Time on the Expiry Date, with that termination taking effect at that Closing Time;
- c. termination for Exercise - If the Exchange Traded Certificate is validly Exercised, with termination taking effect upon the date RBS complies with its obligations under clause 7.5; and
- d. liquidated damages – If the Holder gives RBS notice under clause 11.

8.2 If an Exchange Traded Certificate terminates under clause 8.1(a), then RBS must, within ten Business Days after the date of that termination, send to the Holder a cheque in favour of the Holder for the Termination Amount payable in respect of all terminated Exchange Traded Certificates held by the Holder as at the relevant termination date.

8.3 If an Exchange Traded Certificate terminates under clause 8.1(b), then RBS must pay to the Holder the Cash Amount.

8.4 If an Exchange Traded Certificate terminates under clause 8.1(c), then the provisions of clause 7 apply.

8.5 If an Exchange Traded Certificate terminates under clause 8.1(d), then the provisions of clause 11 apply.

8.6 When an Exchange Traded Certificate terminates, it is automatically and permanently cancelled and all rights and obligations created by or in respect of it are terminated except:

- a. as specified in clauses 8.2 to 8.5; and
- b. for any other rights a party may have arising out of a breach of the Terms by the other party.

9. Adjustments – discretion of RBS

If RBS determines with the consent of the ASX that an Adjustment Event has occurred in respect of an Exchange Traded Certificate, then RBS may, with the prior consent of the ASX, make an adjustment to any of the following factors in respect of that Exchange Traded Certificate:

- a. Settlement Exchange Rate;
- b. description of the Exchange Traded Certificate;
- c. Reference Shares or Reference Index to which the Exchange Traded Certificate is linked;
- d. any Rolling Date (if applicable) or the Expiry Date;
- e. any of the other factors relevant to the Exchange Traded Certificate referred to in the PDS; or

- f. any variable, formula, amount, calculation (including without limitation the timing of making any calculations) or term as set out or used in these Terms or otherwise in connection with the Reference Share, Reference Index or Exchange Traded Certificate,

provided that, in the reasonable opinion of RBS, the adjustment is fair, equitable and appropriate to put both RBS and the Holder in an economic position that is as similar as possible to the economic position the Holder and RBS would have been in, had the Adjustment Event not occurred.

10. Nomination of Extraordinary Event

- 10.1 RBS may, with the consent of the ASX, nominate an Extraordinary Event in respect of an Exchange Traded Certificate.
- 10.2 If RBS has nominated an event under clause 10.1 and the Exchange Traded Certificate has not yet terminated under clause 8.1(a), RBS may, with the consent of the ASX, withdraw that nomination at any time.

11. Payments by RBS – failure to perform

- 11.1 If RBS fails to perform its obligations under clause 7.5(a)(i) then a Holder may give a notice to RBS stating that it requires that the provisions of this clause 11 to apply.
- 11.2 If a notice is given under clause 11.1 in relation to Exchange Traded Certificates, then RBS must, within ten Business Days after the date on which it receives the notice, pay to the Holder an amount calculated in accordance with the following formula:

$$A = 1.1 \times S$$

where

A = the amount of money to be paid per Exchange Traded Certificate under this clause 11; and

S = the Exit Value of the Exchange Traded Certificate.

- 11.3 The Holder and RBS acknowledge to each other that the amount of damages calculated under this clause 11 is a genuine pre-estimate of the loss that the Holder would suffer from the failure of RBS to perform its obligations under clause 7.5(a), and that on the Holder giving notice under clause 11 to RBS, RBS is relieved of its obligations under clause 7.5(a) and its only obligation is to make the payment required by clause 11.2.
- 11.4 If a Holder does not give a notice under clause 11.1, nothing in this clause 11 derogates from a Holder's right to pursue whatever other legal rights they may have.

12. Notices required to be given by RBS

- 12.1 RBS must give notice to each Holder:
- of the nomination of an Extraordinary Event under clause 10.1 and the date on which termination pursuant to clause 8.1(a) occurs within ten Business Days after the date such nomination is made; and
 - of any withdrawal of a nomination of an Extraordinary Event made under clause 10.2, as soon as possible.

- 12.2 RBS must give notice to each Holder if there is a variation in any feature of an Exchange Traded Certificate under these Terms as soon as practicable.
- 12.3 RBS must, if so required by the ASX Operating Rules, give notice to each Holder at the time required by the ASX Operating Rules of the Exercise of any of the discretions conferred on it by these Terms.
- 12.4 If a person gives an Exercise Notice that is not effective, or if the contract arising in respect of that Exercise Notice pursuant to clause 7.5 is terminated (as applicable), then RBS must give a notice to that effect accompanied by the purported Exercise Notice and return all documents and cheques which accompanied it to the person who gave that Exercise Notice.
- 12.5 Except if otherwise provided by these Terms notices required or permitted to be given by RBS to the Holder or the Registrar pursuant to these Terms must be in writing and are treated as being duly given if:
- left at that party's address; or
 - sent by pre-paid mail to that party's address (which must be by airmail if that address is not within Australia).
- 12.6 The timing of the notice, or any failure to give a notice, does not affect the timing or fact of any nomination of an event.
- 12.7 A notice given by RBS in accordance with clause 12.2 or 12.5 above is treated as having been duly given and received:
- when delivered (in the case of it being left at that party's address); and
 - on the third Business Day after posting (in the case of it being sent by pre-paid mail).
- 12.8 The address of the Holder is the address of the Holder shown in the Register.
- 12.9 If more than one person is entered in the Register as the Holder of any Exchange Traded Certificate, a notice given to any of those persons is effective as notice to all of those persons.

13. Notices by Holder

- 13.1 All notices required or permitted to be given by the Holder to RBS pursuant to these Terms or otherwise in respect of the Exchange Traded Certificate must be in writing and are treated as being duly given if, and only if, they are actually received by RBS at the office or at such other address as RBS specifies by notice to the Holder.

14. Payment day

- 14.1 If the date for payment of any amount in respect of the Exchange Traded Certificates is not a Business Day, the Holder shall not be entitled to payment until the following Business Day, and shall not be entitled to any interest or other payment in respect of such delay.

15. Terms

- 15.1 RBS must keep available for inspection at the office a copy of these Terms (incorporating any changes) and the Holder and any other person who has the same right to inspect these Terms in respect of the Register.

15.2 RBS may, from time to time, by notice sent to the Holder, make any change to these Terms with the consent of ASX if:

- a. the change is necessary in the reasonable opinion of RBS to comply with any statutory or other requirements of law or a requirement of the ASX;
- b. to rectify any defect, manifest error or ambiguity contained in these Terms and does not materially prejudice the interests of the Holders;
- c. to permit transfers by a method other than as set out in these Terms;
- d. in the circumstances contemplated under clause 29; or
- e. where, in the reasonable opinion of RBS, the change does not materially prejudice the interests of the Holders.

15.3 RBS must notify the ASX of any change to these Terms made under clause 15.2.

16. Amendment by resolution

16.1 These Terms may also be amended by a resolution of Holders.

16.2 If an amendment to these Terms is proposed to be made by way of resolution, RBS must give notice to all Holders in writing of a proposed amendment to the Terms, together with a ballot paper.

16.3 Subject to clause 16.6, each Holder will be entitled to vote on any resolution.

16.4 Ballot papers must be returned to RBS by Holders no later than 20 Business Days of the date of the notice.

16.5 Each Holder is entitled to one vote for each Exchange Traded Certificate held.

16.6 Votes cast by RBS or its associates will be disregarded.

16.7 A resolution is duly passed if 75% or more of the votes cast are in favour of the amendment.

16.8 RBS's auditor will determine the relationship of all ballot papers and complete a total of all of the votes cast on valid ballot papers during the voting period.

16.9 These Terms may also be amended if:

- a. RBS gives notice to all Holders in writing of the proposed amendment(s); and
- b. all Holders consent in writing to the amendment(s).

17. Register

17.1 In respect of each Series of Exchange Traded Certificates, RBS must keep and maintain (at its cost) a Register of the Holders in accordance with this clause 17 and the requirements of the ASX Operating Rules and the ASX Settlement Operating Rules.

17.2 The property in the Exchange Traded Certificate is situated at the place the part of the Register on which the Exchange Traded Certificate is for the time being registered is situated.

17.3 Except as otherwise provided in these Terms, RBS must recognise the Holder as the absolute owner of the Exchange Traded Certificate and all persons may act accordingly.

17.4 Except as otherwise provided in these Terms or as ordered by a court of competent jurisdiction, or as required by law, RBS is not bound to take notice of any trust or equity affecting the ownership of the Exchange Traded Certificate or the rights incidental to the Exchange Traded Certificate and the receipt of the Holder in respect of the Exchange Traded Certificate and any moneys payable in respect of the Exchange Traded Certificate, is a good discharge to RBS. Except as required by law, no notice of any Trust (express, implied, resulting or constructive) will be entered in the Register.

17.5 There must not be more than three joint Holders of the Exchange Traded Certificate except in the case of the legal personal representatives of a deceased Holder.

17.6 If there are joint Holders of any Exchange Traded Certificate, and one of those joint Holders dies, the survivor(s) will be the only person recognised by RBS as having any title to or interest in the Exchange Traded Certificate.

17.7 The legal personal representative of a deceased Holder (not being one of several joint Holders) is the only person recognised by RBS as having any title to the Holder's Exchange Traded Certificate.

18. Transfer Tax

18.1 RBS must, on request from a Holder on a Business Day, specify to the Holder the amount of the Transfer Tax, the relevant number of Exchange Traded Certificates Exercised on that Business Day and give the Holder a unique identifying number for quotation in relation to that specification.

18.2 If an Exercise Notice in respect of the number of Exchange Traded Certificates for which the amount of Transfer Tax was sought by the Holder as contemplated by clause 18.1:

- a. is received by RBS within five Business Days after the date on which the Transfer Tax identifying number is given to the Holder; and
- b. specifies the Transfer Tax identifying number given to the Holder for the Exchange Traded Certificates, then the amount of the Transfer Tax for the purposes of the Exercise of those Exchange Traded Certificates is the amount so specified by RBS to the Holder at the time the Holder is given the Transfer Tax identifying number.

18.3 All fees and payments are expressed as exclusive of GST unless otherwise indicated. If GST is payable on a supply made by RBS under or in connection with this document, the consideration otherwise provided for that supply is increased by the amount of that GST and the recipient of the supply must make payment of the increase at the same time and in the same manner as the consideration, or any part of it.

19. Miscellaneous

19.1 Each Holder acknowledges that in no event will RBS have any liability for indirect, incidental or consequential damages for RBS's failure to perform its obligations under the Terms.

19.2 In the absence of gross negligence or wilful misconduct on its part, neither RBS or the Calculation Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

19.3 In no circumstances (including without limitation, the lapse of an Exchange Traded Certificate) will RBS be under an obligation to refund the Placement Price to the original Holder or to pay the Placement Price (or any Purchase Price) to any Holder. The Placement Price vests absolutely, unconditionally and irrevocably in RBS upon receipt by it or RBS Equities.

19.4 In these Terms:

- a. all calculations will be done to no fewer than three decimal places and all payments made to the nearest whole cent;
- b. no rounding of numbers will occur until a Holder Exercises an Exchange Traded Certificate and at that time the entitlement attaching to all Exchange Traded Certificates of that Holder the subject of Exercise will be aggregated and that aggregate will be rounded so that all money amounts are rounded to the nearest whole cent and all numbers of Reference Shares are rounded to the nearest whole number so that any fraction being a value of 0.5 or more is rounded up and all other fractions are rounded down.

19.5 All monetary obligations imposed on the Holder under these Terms are:

- a. absolute; and
- b. free of any right to counterclaim or set-off, and may only be satisfied once the payment has cleared.

19.6 RBS may:

- a. set-off any amount payable to it by the Holder against any amount payable by RBS to the Holder; and
- b. withhold any amount payable by it to the Holder and withhold delivery of Reference Shares in satisfaction of any amount payable to it by the Holder.

20. Waiver

20.1 The failure, delay, relaxation or indulgence on the part of RBS in exercising any power or right conferred upon RBS by these Terms does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it, or the exercise of any other power or right, under these Terms.

21. Telephone recording

21.1 The Holder agrees:

- a. to the tape recording by RBS, RBS Equities or their Agents of any telephone conversations concerning the Exchange Traded Certificate;
- b. to the retention of any tape recording so made; and
- c. to the use of any tape recording so made as evidence of the content of the conversation.

22. Discretions

22.1 The Holder may not give any direction to RBS concerning the Exchange Traded Certificates, even if the Exchange Traded Certificate is Exercised, concerning the exercise by RBS of any other discretion relating to the Reference Shares, or any discretion conferred on RBS by these Terms.

23. Governing law

23.1 The Exchange Traded Certificate is governed by and construed in accordance with the laws in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

24. No merger

24.1 RBS's rights under these Terms are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by RBS or any other obligation of the Holder to RBS, despite any rule of law or equity or any other statutory provision to the contrary.

25. Power of attorney

25.1 The Holder irrevocably appoints RBS and its nominees and any of their directors, secretaries and managers from time to time jointly and severally as attorney of the Holder to do (either in the name of the Holder or the attorney) all acts and things that the Holder is obliged to do under these Terms or which, in the opinion of RBS, are necessary or desirable in connection with the Exchange Traded Certificate or the protection of RBS's interests or the exercise of the rights, powers and remedies of RBS, including without limitation the authority to sell Reference Shares on behalf of the Holder.

26. Buy-back by RBS

26.1 RBS may buy-back an Exchange Traded Certificate, and itself or a nominee become the Holder of the Exchange Traded Certificate. This will not cancel, merge, terminate or otherwise affect the Exchange Traded Certificate.

26.2 An Exchange Traded Certificate bought back by RBS may be cancelled or resold at any time prior to the Expiry Date. Until an Exchange Traded Certificate is cancelled, RBS has a right to resell the Exchange Traded Certificate in the market by way of a secondary sale. If RBS is the Holder of an Exchange Traded Certificate, it may cancel the Exchange Traded Certificate. An Exchange Traded Certificate is cancelled on receipt by the Registrar of a notice of cancellation from RBS.

27. Time is of the essence

27.1 Time is of the essence in respect of the obligations of the Holder under these Terms.

28. Novation, assignment, sub-participation, severability

28.1 The Holder may not novate, assign or sub-participate any of its rights or obligations under these Terms or in connection with the Exchange Traded Certificates without the prior written consent of RBS.

28.2 Any provision of these Terms which is prohibited or unenforceable in any jurisdiction is ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

29. Personal Property Securities Act

29.1 The Holder agrees to do anything that RBS may reasonably require to:

- a. give full effect to these Terms and the transactions contemplated by them;
- b. better secure all property in which RBS has a security interest in a manner consistent with these Terms; or
- c. assist in the execution or exercise of any power,

including execute any transfer (including any transfer in blank) or other document, obtain any consent, give any notice or supply any information to RBS.

29.2 Without limiting clause 29.1, the Holder agrees that RBS may make such amendments to these Terms, and may do such other things, as RBS may require from time to time (whether before or after the registration commencement time) to:

- a. ensure that each security interest given by the Holder in favour of RBS is a first-ranking perfected security interest over all PPS property;
- b. ensure that each security interest is:
 - i. continuously perfected; and/or
 - ii. perfected by control; and/or
 - iii. perfected in a way that will reduce as far as reasonably possible the risk of a third party acquiring an interest in any PPS property free of the security interest, to the extent possible under the PPS Act;
- c. enable RBS to apply for any registration, or give any demand or notification, under the PPS Act in connection with the security interest; and
- d. otherwise protect RBS' position as secured party in respect of each security interest created under these Terms in the context of the PPS Act,

from the point in time immediately before the registration commencement time or any later time as RBS may decide.

29.3 RBS may, at the Holder's cost, do anything which the Holder should have done under these Terms if the Holder does not do so promptly or, if in RBS' opinion, the Holder does not do so properly including:

- a. apply for any registration or give any demand or notification, in connection with any security interest created under these Terms;
- b. complete and lodge any financing statement, financing change statement or amendment demand, in each case as may be reasonably necessary to perfect, maintain or achieve RBS' first priority security interest in the PPS property.

29.4 RBS is not required to give any notice under the PPS Act (including a notice of a verification statement) unless the notice is required by the PPS Act and the obligation to give the notice cannot be excluded.

29.5 In this clause 29:

- a. PPS Act means the Personal Property Securities Act 2009 (Cth);
- b. PPS property means all property over which the Holder is capable under the PPS Act of granting a security interest; and

- c. terms (including any reference to "security interest") have the meanings given to them in the PPS Act.

30. Definition of "U.S. Person"

For purposes of the applicable prohibitions against ownership and transfer of the rights to any Exchange Traded Certificates or Reference Shares, the term "U.S. Person" means a person that (a) qualifies as (i) a "U.S. Person" as defined under Regulations S promulgated under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and (ii) a "U.S. Person" as defined under the U.S. Internal Revenue Code of 1986, as amended (the "Code") and the U.S. Treasury Regulations promulgated thereunder and (b) does not fall within the definition of a "Non-United States Person" under the U.S. Commodity Exchange Act. Each of such terms is defined below.

a. Regulation S Definition of U.S. Person

1. "U.S. Person" means:

- i. any natural person resident in the United States;
- ii. any partnership or corporation organised or incorporated under the laws of the United States;
- iii. any estate of which any executor or administrator is a U.S. person;
- iv. any trust of which any trustee is a U.S. person;
- v. any agency or branch of a foreign entity located in the United States;
- vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- viii. any partnership or corporation if:
 - A. organised or incorporated under the laws of any foreign jurisdiction; and
 - B. formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "U.S. person."

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. person shall not be deemed a U.S. person if:

- i. an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and

- ii. the estate is governed by foreign law.
- 4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. person shall not be deemed a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person.
- 5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. person.
- 6. Notwithstanding (1) above, any agency or branch of a U.S. person located outside the United States shall not be deemed a "U.S. Person" if:
 - i. the agency or branch operates for valid business reasons; and
 - ii. the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- 7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons."
- b. Under the Code and the U.S. Treasury Regulations promulgated thereunder, a "U.S. Person" is defined as:
 1. An individual who is a U.S. citizen or a U.S. "resident alien." Currently, the term "resident alien" is defined to generally include an individual who (i) holds a Permanent Residence Card (a "green card") issued by the U.S. Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) an individual is present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual is present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
 2. A corporation or partnership created or organised in the United States or under the law of the United States or any state.
 3. A trust where (i) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (ii) a valid election is in effect for the trust to be treated as a U.S. Person.
 4. An estate that is subject to U.S. tax on its worldwide income from all sources.
- c. Under the U.S. Commodity Exchange Act, a "Non-United States Person" is defined as:
 1. a natural person who is not a resident of the United States;
 2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
 3. an estate or trust, the income of which is not subject to United States income tax regardless of source;
 4. an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States Persons; and
 5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

For purposes of the foregoing, the term "United States" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia. Persons requiring details regarding other terms used in the foregoing definition (such as "accredited investor") should contact RBS.

Part A: How to apply

Important information for advisors

Know Your Client requirements – advisors who submit Applications on behalf of their clients must complete and sign the form entitled “Know Your Client – Investor Application Signoff by your financial advisor” and send this together with the Application Form. Applications that are submitted by an advisor on behalf of their clients must affix their stamp in the designated locations on the Application Form. Application Forms submitted by advisors who do not affix their stamp to their client’s Application Form will have the forms returned to them and these Applications will not be processed until they are completed in accordance with the instructions contained herein. The following provides information regarding the supporting documentation required for identification purposes under the AML/ CTF Act.

1. Category – Individuals

1.1 What information must be verified

- a. the client’s full name; and
- b. either:
 - i. the client’s date of birth; or
 - ii. the client’s residential address.

1.2. Documents used to verify individual’s identity

An individual’s identity must be verified using reliable and independent documents or electronic data or combination of both.

Using reliable and independent documents, you can verify the client’s name and either:

- a. the client’s residential address; or
- b. date of birth, or both, from:
 - i. an original or certified copy of a primary photo identification document; or
 - ii. both:
 - A. an original or certified copy of a primary non photo identification document; and
 - B. an original or certified copy of a secondary identification document; and
- c. verify that any document produced by the customer has not expired (other than in the case of a passport issued by the Commonwealth that expired within the preceding two years).

1.3 Primary photo identification

Primary photo identification includes:

- a. an Australian driver’s licence or a driver’s licence or similar document issued by an equivalent authority of a foreign country that contains a photograph of the person in whose name the document is issued;
- b. an Australian passport;
- c. a foreign passport or similar document issued for the purpose of international travel that:
 - i. contains a photograph and signature of the person in whose name the document is issued;
 - ii. is issued by a foreign government, the United Nations or an agency of the United Nations; and
 - iii. if the document is not in English it is to be accompanied by an English translation prepared by an accredited translator; or
- d. a Proof of Age card issued by a State or Territory government for the purpose of proving the person’s age which contains a photograph of the person in whose name the document is issued; or
- e. a national identity card issued for the purpose of identification, that:
 - i. contains a photograph and the signature of the person in whose name the document is issued;
 - ii. is issued by a foreign government, the United Nations or an agency of the United Nations; and
 - iii. if the document is not in English it is to be accompanied by an English translation prepared by an accredited translator.

1.4 Primary non photo identification document

Primary non photo identification documents include any of the following:

- i. an Australian birth certificate;
- ii. a citizenship certificate issued by a foreign government. If the certificate is not in English it must be accompanied by an English translation prepared by an accredited translator;
- iii. a birth certificate issued by a foreign government, the United Nations or an agency of the United Nations (if not in English the certificate must be accompanied by an English translation prepared by an accredited translator); or

- iv. a pension card issued by Centrelink that entitles the person in whose name the card is issued to financial benefits.

1.5 Secondary identification document

Secondary identification document means any of the following:

- a. a notice that was issued to an individual by the Commonwealth, a State or Territory within the preceding twelve months that:
 - i. contains the name of the individual and his or her residential address; and
 - ii. records the provision of financial benefits to the individual under a law of the Commonwealth, State or Territory;
- b. a notice that:
 - i. was issued to an individual by the Australian Taxation Office within the preceding 12 months;
 - ii. contains the name of the individual and his or her residential address; and
 - iii. records a debt payable to or by the individual by or to (respectively) the Commonwealth under a Commonwealth law relating to taxation;
- c. a notice that:
 - i. was issued to an individual by a local government body or utilities provider within the preceding three months;
 - ii. contains the name of the individual and his or her residential address; and
 - iii. records the provision of services by that local government body or utilities provider to that address or to that person; and
- d. in relation to a person under the age of 18, a notice that:
 - i. was issued to a person by a school principal within the preceding three months;
 - ii. contains the name of the person and his or her residential address; and
 - iii. records the period of time that the person attended at the school.

1.6. Verification of individuals using electronic data

An individual client's name and residential address can be verified using reliable and independent electronic data from at least two separate data sources and either:

- a. the customer's date of birth using reliable and independent electronic data from at least one data source; or
- b. that the customer has a transaction history for at least the past three years.

2. Category – Companies

2.1 Information to be verified

- i. the full name of the company as registered by ASIC;
- ii. whether the company is proprietary or public;
- iii. the ACN or ABN; and
- iv. the names and address of each beneficial owner of a proprietary or private company.

2.2 Documents used to verify beneficial owners

Beneficial owners need to meet the document verification standards of individuals set out at 1.2-1.6 above.

3. Category – Trusts

3.1 Information to be verified

- a. the full name of the trust;
- b. the full name of each trustee;
- c. either the date of birth or address for each trustee; and
- d. the full name of each beneficiary.

3.2 Documents used to verify trust name

- a. a trust deed; and
- b. certified copy or certified extract of the trust deed.

3.3 Documents used to verify a trustee or beneficiary

Trustees and beneficiaries need to meet the document verification standards of individual set out at paragraphs 1.2-1.6 above.

4. Persons authorised to certify a copy of documents used to verify individual's identity

- a. A member of:
 - i. the Institute of Chartered Accountants in Australia;
 - ii. the Australian Society of Certified Practising Accountants; or
 - iii. the National Institute of Accountants;
- b. A legal practitioner (however described) of a Federal, State or Territory court;
- c. A diplomatic or consular officer of an Australian Embassy, High Commission or Consulate, in Australia or overseas;
- d. A Justice of the Peace of a State or Territory; or
- e. A notary public.

Potential investors should read this PDS before making any investment decision.

Applicants should read the instructions in order to complete the Application Form. Applications will only be accepted on the Application Form attached to this PDS and only if RBS has reasonable grounds to believe that the Application Form was included in, or accompanied by, a copy of this PDS when the Application Form was distributed. Each Application must be for at least the minimum investment amount as set out above the Summary Table in PDS Part 1. RBS may decide at its absolute discretion, and reserves the right whether or not to accept an Application in whole or in part. RBS may reject an Application if:

- a. RBS does not receive the Application monies in cleared funds within five Business Days of accepting the Application Form; and/or
- b. the Application Form has not satisfied the instructions as detailed in the "How to Apply" Section of this PDS.

Applicants – Steps to follow:

Step	Action	Check
1	<p>Complete the Application Form by following the instructions in the next part entitled “How to Complete the Application Form”.</p> <p>Applicants make all the relevant declarations and sign the Application Form and the advisor completes, signs, stamps and encloses the form entitled “Know Your Client – Investor Application Signoff” by your financial advisor” together with their Application Form.</p> <p>If RBS receives an incomplete or incorrect Application Form, RBS will inform the advisor who will then be responsible for providing the missing information to RBS. No incomplete or incorrect Applications will be processed by RBS. If an Application Form or any attachment is incomplete or incorrect, or RBS otherwise requires the amendment of any part of that Application Form or an attachment (acting reasonably), you agree to execute and return that amended or replacement Application Form and any attachments promptly upon request by RBS and to take any other steps reasonably requested by RBS.</p> <p>Applicants who invest directly with RBS need to ensure that they complete all the relevant declarations, sign the Application Form and ensure that the supporting documentation, detailed in the instructions of “How to complete the Application Form” on the following page, is complete and is sent in together with their Application.</p>	<input type="checkbox"/>
2	<p>Please indicate which payment method you are using by completing Section E in the Application Form.</p> <p>If you are paying by cheque, attach the cheque for the total amount payable to The Royal Bank of Scotland plc.</p>	<input type="checkbox"/>
3	<p>Send the completed and signed Application Form plus all attachments to The Royal Bank of Scotland plc:</p> <p>Attn: Manager, Warrant Operations Exchange Traded Certificates GPO Box 4675, Sydney NSW 2001</p>	<input type="checkbox"/>
4	<p>Complete the Application Form by following the instructions in the next part entitled “How to complete the Application Form”.</p>	<input type="checkbox"/>

How to complete the Application Form

Please complete all relevant sections of the **Application Form**.

These instructions are cross-referenced (see the letters below) to each section of the Form.

Section	Heading	Instructions
A	Personal details individual, joint	<p>Tick the boxes that denote what type of Applicant you are. For each type of Applicant, details of at least one natural person is required.</p> <p>Write the full name(s) you wish to appear on the Register.</p> <p>For each natural person named in this Application Form, include a copy of a primary photo identification document such as your Passport certified by any person detailed in Section 4 “Persons authorised to certify a copy of documents used to verify individual’s identity” of PDS Part 2 Part A, “How to apply”.</p> <p>For details of acceptable primary photo identification documents please refer to Section 1.3 “Primary Photo Identification” of PDS Part 2 Part A “How to apply”.</p> <p>Please note that in general, we request that you provide either your:</p> <ol style="list-style-type: none"> Tax File Number (TFN); Australian Business Number (ABN) if a business account (to be provided in Section C, D or E as applicable); or exemption category. <p>Where applicable, please enter the TFN for each joint Applicant. Collection of TFNs and ABNs is authorised by taxation laws. Quotation of your TFN or ABN is not compulsory and will not affect your Application.</p> <p>Proof must be provided for an exemption when lodging this Application.</p>
B	Sole trader or partnership	Complete Section A and then details of the business or partnership in this Section.

Section	Heading	Instructions
C	Registered company	<p>Complete Section A and then this Section if you are applying as a registered company.</p> <p>Where you are, please use the nominated table to complete the company details and ensure that you provide the following supporting documentation:</p> <ul style="list-style-type: none"> • for each company officer who is the subject of this Application; and • for each of the ultimate beneficial owner(s) of the Company, <p>you will need to provide a copy of a primary photo identification document such as a passport certified by any person detailed in Section 4 “Persons authorised to certify a copy of documents used to verify individual’s identity” of PDS Part 2 Part A “How to apply”.</p> <p>You will need to enclose these documents, as applicable, together with your Application Form when lodging your Application with RBS. Failure to provide the requested information may result in delaying the processing of your Application until such time that RBS receives the required information in the specified format.</p> <p>Enter your postal address for all correspondence. All communications to you from the Registrar (including statements, distribution of cheques/advices, annual/interim reports, correspondence, etc) will be mailed to the postal address and marked for the attention of the primary contact person as shown in the enclosed Application Form.</p>
D	Trustee applicants only	<p>Complete Section A and then this Section if you are applying as a trustee of a trust and Section C if you are a company who is also a trustee for the purpose of this Application.</p> <p>Important information for an Applicant who is a trustee and applies directly to RBS.</p> <p>You will need to enclose a certified copy of the dated and stamped trust deed, together with any amendments, or other document evidencing the terms of the trust together with your Application Form when lodging an Application.</p> <p>For each trust and beneficiaries of the trust, please provide a primary photo identification document. For details of acceptable primary photo identification documents please refer to Section 1.3 “Primary Photo Identification” in PDS Part 2 Part A “How to apply”.</p>
E	Payment options	<p>Select by ticking your chosen method of payment and complete the relevant Section, ensuring that you supply all the requested details and in the case of payment by direct debit, complete and sign the Direct Debit Request Form and enclose a copy of each Applicant’s driver’s licence.</p> <p>It is also the responsibility of the investor to advise RBS in writing at least five Business Days prior to any payment date of any changes in the banking details relating the direct debit of their payment. This includes the necessary lodgment of any and all completed and signed documentation to RBS, to ensure that RBS can direct debit the payment from the bank account (that bank account being the subject of this information). The investor must take all actions necessary to facilitate the receipt of the payment by RBS. Failure by the investor to meet these conditions will result in the Exchange Traded Certificate being terminated and the investor being liable for costs.</p>
F	Investment election	<p>Complete Section E by following the detailed instructions provided in the Application Form and in PDS Part 2 Section 2.6 “How do I apply for Exchange Traded Certificates during the Subscription Period (if applicable) and the Offer Period?”.</p>
G	Investor declarations	<p>Read this Section carefully. Tick the box if you wish to opt out from receiving any information on RBS’ other trading and investment products.</p>
H	Signatures	<p>Sign the Application Form.</p>

Checklist to ensure that you have completed the relevant Sections in the Application Form if you are:

An individual...	A Company...	An Individual as Trustee...	A Company as Trustee...
<input type="checkbox"/> A Personal details for individual, joint	<input type="checkbox"/> A Personal details for directors/ secretaries	<input type="checkbox"/> A Personal details for individual trustee(s)	<input type="checkbox"/> A Personal details for directors/ secretaries of registered company trustee
<input type="checkbox"/> B For Sole Trader and/or Partnerships only	<input type="checkbox"/> C Registered Company	<input type="checkbox"/> D Trustee Applicant Only	<input type="checkbox"/> C Registered Company
			<input type="checkbox"/> D Trustee Applicant Only

All Applicants must complete the following Sections:

A Personal details	<input type="checkbox"/>
B, C, or D Partnership, company or trustee details (if required)	<input type="checkbox"/>
E Payment options (if required)	<input type="checkbox"/>
F Investment election	<input type="checkbox"/>
H Signatures.	<input type="checkbox"/>

Important information

Under RBS guidelines, the date of birth for each natural person who is named in this Application must be provided.

You should refer to "Correct forms of registrable name" if you are unsure how your holding of Exchange Traded Certificates should be registered.

Applications made in the individual name(s) of the person(s) who is (are) the legal guardian(s), Trustee(s), proprietor(s), partner(s) or office bearer(s) (as applicable) of those entities are acceptable.

Applications in the name of a minor, an unincorporated or unregistered body such as a trust or estate, business, firm or partnership, club, association or other cannot be accepted.

Correct Forms of Registrable Name

Note that legal entities are allowed to hold Exchange Traded Certificates. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to RBS. At least one full name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by the way of an account designation if completed exactly as described in the examples below in the relevant Section of the Application Form.

Type of investor	Correct form	Examples of incorrect form
Trusts (Do not use the name of Trust, use Trustee(s) personal names)	John Smith <Smith Family A/C>	John Smith Family Trust
Deceased Estates (Do not use the name of deceased, use executor(s) personal names)	Michael Smith <Est John Smith A/C>	Estate of the Late John Smith
Partnerships (Do not use the name of Partnership, use partners' personal names)	John Smith and Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies (Do not use name of club or body, use name of Trustee of club or body)	John Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds (Do not use name of Fund, use name of Trustee of Fund)	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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Part B: Application Forms

Advisor and office use only

Know Your Client – Investor Application Signoff By Your Financial Advisor

This form is to be completed by all financial advisors and returned to RBS together with the completed Application Form and any required attachments.

1. I confirm the following:
 - i. The Application Form is completed and signed;
 - ii. The investor declaration is completed and signed;
 - iii. For trustee applicants, the trustee is empowered and authorised by the terms of the trust to enter into and bind the trust to the transactions contemplated and the PDS; and
 - iv. For trustee applicants a certified copy of the dated and stamped trust deed, together with any amendments, or other document evidencing the terms of the trust, has been received.

2. I confirm:

That in accordance with the requirements of the AML/CTF Act:

- a. The Applicant's identity has been verified;
- b. The methods and procedures used in relation to the verification and identification of the client have been carried out in accordance with the AML/CTF Act;
- c. If requested, the verification and identity record made in accordance with section 112(2) of the AML/CTF Act will be made available to RBS; and
- d. Details of identity document(s) sighted, such as the document number are noted below.

Applicant #1

Given Name(s)	Surname
Type of Document	Type of Document
Document Number	Document Number
Expiry Date	Expiry Date

Applicant #2

Given Name(s)	Surname
Type of Document	Type of Document
Document Number	Document Number
Expiry Date	Expiry Date

Name	
Job Title	
Organisation	
Signature	Date

Application Form for 'Exchange Traded Certificates

Send the completed and signed **Application Form** plus all attachments to:

The Royal Bank of Scotland plc
Attn: Manager, Warrants & Structured Products
Exchange Traded Certificates
GPO Box 4675 Sydney NSW 2001

Broker's Stamp

Advisor

Placement Fee

%

Please complete all pages of this Application Form in black ink, using BLOCK LETTERS. Refer to the previous pages for instructions on how to complete this Application Form. This Application Form relates to PDS Part 2 for 'Exchange Traded Certificates dated 27 July 2011 and the applicable PDS Part 1 for the Series applied for, both issued by The Royal Bank of Scotland plc ABN 30 101 464 528 AFSL 241114.

A. Personal Details (for individuals, partners, directors, secretaries, trustees)

Applicant Details – Please tick which type of Applicant you are and complete the designated section(s)

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Individual, Joint
(Section A) | <input type="checkbox"/> Sole Trader or Partnership
(Section A & B) | <input type="checkbox"/> Registered Company
Director
(Section A & C) | <input type="checkbox"/> Trustee (including in respect
of a SMSF) Director or
Individual (Section A & D) |
|---|--|--|--|

You must ensure your Application Form has the required identification documentation attached otherwise we will be unable to process your Application. Refer to PDS Part 2 Part A "How to apply" for further information.

For Applicants using a financial advisor, original primary photo identification documents can be provided directly to your financial advisor. Refer to PDS Part 2 Part A "How to apply" for details of suitable identification documents.

If more than two beneficiaries/partners, please attach an Annexure detailing all other parties to the account and setting out the information contained below for each individual.

You must provide a street address. Post Office (PO) Box addresses may also be provided in addition to your street address. If provided, all correspondence will be sent to your PO Box address.

Personal Details (1)

Mr/Mrs/Miss/Ms/Dr/Other	Full First Names(s)		
Surname	Date of Birth (dd/mm/yy)	/	/
Tax File Number or Exemption			
Telephone Number	Work	Mobile	Email
Street Address			
Suburb	State		
Country	Postcode		
Postal address (if different from above)			
Suburb	State		
Country	Postcode		
Occupation / Business Activity			

Applicants Details – Please tick which type of Applicant you are and complete the designated

Individual (2), Joint (Section A)
 Partnership (2) (Section A & B)
 Registered Company Director (2) (Section A & C)
 Trustee Director or Individual (2) (Section A & D)

Personal Details (2)

Mr/Mrs/Miss/Ms/Dr/Other	Full First Names(s)		
Surname	Date of Birth (dd/mm/yy) / /		
Tax File Number or Exemption			
Telephone Number	Mobile	Work	Email
Street Address			
Suburb	State		
Country	Postcode		
Postal address (if different from above)			
Suburb	State		
Country	Postcode		
Occupation / Business Activity			

B. For Sole Traders and Partnerships

Full name of business/partnership	
Full address of principal place of business	
Street Address	
Suburb	State
Country	Postcode
ABN	applicable registration number
Describe the principal nature of business of the partnership (Eg. legal practice, accounting practice, financial services etc):	

C. Registered Company

Your registered company address is required. Correspondence can only be sent to a different postal address or Post Office Box address if the registered company address is on file.

If applying directly, ensure that you enclose the required supporting documentation as detailed in the section entitled "How to complete the Application Form".

For Applicants using a financial advisor, original primary photo identification documents can be provided directly to your financial advisor. Refer to Part A, "How to apply" for details of suitable identification documents.

If the company has more than two Directors, please attach an Annexure detailing the names and details of all Directors of the company as set out below.

Please attach an Annexure list all Ultimate Beneficial Owners of the Company.

Full Name of Company	
Company ACN/ABN/ARBN	
Registered Company Address	
Street Address	
Suburb	State
Country	Postcode
Company Postal Address	
Street Address	
Suburb	State
Country	Postcode

Nature of primary business of company (E.g. textile manufacturing, financial services, dry cleaning etc)

Primary Contact Details*

Name of Primary Contact

Daytime Phone Number

After Hours Phone Number

Mobile Phone Number

Fax Number

Email Address

* Insert primary contact person name and contact details and include the area code and where the applicable international country code where outside of Australia. Only complete this section if the primary contact details are different to the details of the directors.

D. Trustee Applicant Only –includes trustees of Self Managed Superannuation Funds (SMSFs)

Important Instructions Trustee Applicants (including SMSFs)

Please attach to this Application:

- a. for Applicants who are not using a financial advisor, a certified copy of the dated and stamped trust deed, together with any other amendments to the trust deed or documents evidencing the terms of the trust; and
- b. for each trustee and beneficiary of the trust, please provide a primary photo identification document.

For Applicants using a financial advisor, a certified copy of the dated and stamped trust deed (together with any other amendments to the trust deed or documents evidencing the terms of the trust) and the original primary photo identification documents can be provided directly to your financial advisor. Refer to PDS Part 2 Part A “How to apply” for details of suitable identification documents.

Name of Superannuation Fund or Trust (use BLOCK LETTERS)

ABN/TFN or Exemption

Name of Registered company/trustee or Individual(s) trustee

Street Address

Suburb

State

Country

Postcode

Postal address (if different from above)

Suburb

State

Country

Postcode

If more than two trustees, please attach an Annexure detailing all other parties to the account.

If the beneficiary(ies) is/are different from the trustee(s), please include an Annexure listing all beneficiaries.

Nature of Primary Business of Registered Company Trustee (E.g. Investments, Holding Company)

For Registered Company Trustees, Section C must also be completed. A street address is required. Correspondence may be sent to the different postal address or PO Box address if provided.

E. Payment options – Tick the single method of Payment and complete the relevant option.

1. Direct Credit - Tick if paying by **direct credit**. Please reference payments with your name or your company name

Account Name	RBS Equities (Australia) Limited*		
Bank Name	National Australia Bank		
BSB	082 057	Account Number	4636 24741
Subscription Number	Amount (\$)		

*Application monies will be re-directed to a trust account in the name of the Issuer.

2. BPay - Tick if paying by **BPay**. Please reference payments with Reference Number shown below.

BPay Biller Code	89839	Reference Number	999110
BPay Receipt Number ¹	Date paid by BPay		
Amount (\$)			

¹ Write the BPay Receipt Number and date paid by BPay in the nominated space, as it will assist us in identifying your payment.

3. Direct Debit – Tick if paying by direct debit. You will need to complete and sign a "Direct Debit Request" found at the back of this Application Form and enclose this together with a copy of a driver's licence for each Signatory with your Application Form.

NOTE: Bank account name(s) must match the name(s) given as Applicant(s) on your Application Form.

Account Name			
Bank Name			
BSB		Account Number	
Total Amount to Debit	\$		

4. Cheque – Tick if paying by Cheque.

Please make cheque payable to **'The Royal Bank of Scotland plc'** crossed 'Not Transferable'. Provide the cheque and your details as follows.

Payer Details			
Account Name			Bank Name
Branch Address			
BSB			Account Number (if applicable)
Cheque Number	Amount (\$)		

G. Investor Declarations

I/We irrevocably appoint each director and secretary of The Royal Bank of Scotland plc ("RBS") or any employee of RBS or a Related Body Corporate of RBS whose title includes the words "director", "head" or "manager" severally as my/our attorney to: complete any blanks in the Application Form; and do anything incidental or necessary in relation to the above (including, but not limited to, appointing any person as sub-attorney to do any of the above and completing any blanks in this Application Form).

I/We represent and warrant that: I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors. I/We further represent and warrant that I/we have never been a director or officer of any company to which a liquidator, receiver, receiver and manager or similar person has been appointed. I/We acknowledge and confirm that RBS will rely on any representations and warranties given and any declarations made by me/us in making its decision to enter into any contract with me/us.

I/We am/are over 18 years of age.

I/We acknowledge that RBS has given me/us the opportunity to obtain independent professional advice in relation to my investment in Exchange Traded Certificates. I/We acknowledge that if I/we have not obtained such advice then I/we have read the entire PDS (comprising of PDS Part 1 and PDS Part 2), and understand my/our obligations and the risks of investing in the Exchange Traded Certificates, and consider that they are suitable for me/us.

I/We acknowledge that in providing this PDS, RBS does not provide any personal financial product advice or recommendations in relation to the Exchange Traded Certificates or any Reference Share or Reference Index.

I/We, whose full name(s) and address(es) appear above, hereby apply for the number of Exchange Traded Certificates as set out on this Application Form, to be issued in accordance with the terms of the PDS.

I/We have read and understood the PDS (comprising of PDS Part 1 and PDS Part 2) to which this Application Form is attached and agree to accept the Exchange Traded Certificates on the terms and conditions set out in the PDS (including any tape recording by RBS and its agents, for record purposes, of any telephone conversation concerning the Exchange Traded Certificates).

I/We acknowledge and confirm that I am/we are not any of the following: (a) a U.S. Person (as defined in Exhibit I.1 attached hereto); (b) a corporation which is not a U.S. Person in which U.S. Persons hold 10% or more of either voting power or value; (c) a partnership which is not a U.S. Person in which a U.S. Person is a partner, or (d) a trust which is not a U.S. Person whose grantor or any of whose beneficiaries is a U.S. Person. I/We further acknowledge that except with the consent of RBS, the rights to any Exchange Traded Certificates may not be owned by, and I/we will not sell, offer or transfer any rights to any Exchange Traded Certificates to, any of the persons enumerated in (a-d) above.

I/We, by signing this Application Form and RBS accepting my/our Application, acknowledge and confirm that I am/we are bound by the Terms.

I/We acknowledge and consent that RBS collects my/our personal information in order to:

- provide and manage the financial products and services which I/we request from RBS;
- comply with relevant laws (including AML/CTF Act); and
- keep me/us informed of new products and services.

In particular, RBS may/may not use the information to send out information on RBS' other trading and investment products, such as instalment warrants and RBS Group products. If I/we do not actively select not to receive any information on RBS' other trading and investment products, I/we are taken to have consented to receipt of such information. If at any time I/we are receiving information from RBS about RBS' products and do not wish to receive further correspondence, I/we will let RBS know. I/we also acknowledge that RBS may disclose information about me/us to third parties where it is necessary for business purposes in managing a financial product or service and/or where RBS has service partners involved in providing my/our financial products or services. On request, RBS will provide me/us with a copy of any personal information which RBS holds about me/us. RBS will inform me/us beforehand if there is any charge associated with providing this information to me/us. If I/we do not provide RBS with the personal information which RBS requests, RBS may not be able to provide a service, or RBS may be required by law to take particular actions such as deducting taxation at the top marginal rate. Further information about RBS' privacy practices can be found by requesting a copy of RBS' privacy policy from RBS.

I/We represent and warrant that all information set out in this Application Form, supporting documentation or otherwise provided to RBS is true and correct.

Where I am/we are a trustee applicant, I/we represent and warrant that:

- the trust has been validly constituted and is subsisting at the date of this application;
- I/we have been properly appointed as trustee and I/we are the sole trustee(s) of the trust;
- I/we are empowered and authorised by the terms of the trust to enter into and bind the trust to the transactions contemplated by the PDS;
- the terms of the trust do not restrict the my/our right to be fully indemnified out of the assets of the trust to satisfy any liability to RBS (or any of its Related Bodies Corporate) properly incurred by me/us as trustee(s) of the trust arising out of the transactions contemplated by the PDS; and
- there is no conflict of interest or duty of the trustee, and if the trustee is a company, of any of its directors, which would preclude the trustee entering into the transactions contemplated by the PDS.

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H. Signatures

I/We have read the PDS and accept the Terms contained herein.

Dated this _____ Day of _____, 20____

If the Holder(s) is/are individual(s)

Signature of Applicant/Holder _____ Signature of Applicant/Holder _____

Print name _____

Print name _____

Date Signed _____ / _____ / _____

Date Signed _____ / _____ / _____

If the Holder is not an individual (e.g. a registered company or trustee of a superannuation fund)

Company Name/Trust Name _____

Sole Director/Director of Company/Secretary or Trustee Signature _____ Director/Secretary or Trustee Signature _____

Print name _____

Print name _____

To ensure that you have completed the Application Form correctly, please use the checklist found at the end of "How to complete the Application Form".

Please ensure that supporting documentation is provided with your Application. Applicants who invest using an advisor need to ensure that the "Know your client – Investor application signoff by your financial advisor" form has been completed and is submitted with their Application. Applicants who invest directly with RBS need to provide supporting identification documentation.

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Definition of “U.S. person

For purposes of the applicable prohibitions against ownership and transfer of the rights to any Exchange Traded Certificates or Underlying Entities' Shares, the term “U.S. Person” means a person that (a) qualifies as (i) a “U.S. Person” as defined under Regulations S promulgated under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) a “U.S. Person” as defined under the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and the U.S. Treasury Regulations promulgated thereunder and (b) does not fall within the definition of a “Non-United States Person” under the U.S. Commodity Exchange Act. Each of such terms is defined below.

a. Regulation S Definition of U.S. Person

1. “U.S. Person” means:
 - i. any natural person resident in the United States;
 - ii. any partnership or corporation organized or incorporated under the laws of the United States;
 - iii. any estate of which any executor or administrator is a U.S. person;
 - iv. any trust of which any trustee is a U.S. person;
 - v. any agency or branch of a foreign entity located in the United States;
 - vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
 - vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
 - viii. any partnership or corporation if:
 - A. organized or incorporated under the laws of any foreign jurisdiction; and
 - B. formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.
2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a “U.S. person.”
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. person shall not be deemed a U.S. person if:
 - i. an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
 - ii. the estate is governed by foreign law.

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. person shall not be deemed a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person.
 5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. person.
 6. Notwithstanding (1) above, any agency or branch of a U.S. person located outside the United States shall not be deemed a “U.S. Person” if:
 - i. the agency or branch operates for valid business reasons; and
 - ii. the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
 7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed “U.S. Persons.”
- b. Under the Code and the U.S. Treasury Regulations promulgated thereunder, a “U.S. Person” is defined as:
1. An individual who is a U.S. citizen or a U.S. “resident alien.” Currently, the term “resident alien” is defined to generally include an individual who (i) holds a Permanent Residence Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any current calendar year if (i) an individual is present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual is present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
 2. A corporation or partnership created or organized in the United States or under the law of the United States or any state.
 3. A trust where (i) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (ii) a valid election is in effect for the trust to be treated as a U.S. Person.
 4. An estate that is subject to U.S. tax on its worldwide income from all sources.

- c. Under the U.S. Commodity Exchange Act, a “Non-United States Person” is defined as:
1. a natural person who is not a resident of the United States;
 2. a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
 3. an estate or trust, the income of which is not subject to United States income tax regardless of source;
 4. an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States Persons; and
 5. a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

For purposes of the foregoing, the term “United States” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia. Persons requiring details regarding other terms used in the foregoing definition (such as “accredited investor”) should contact RBS.

Direct Debit Request

Please note, a copy of the driver's license for each signatory of this Direct Debit Request must be attached for this Direct Debit Request to be accepted.

Request and authority to debit the account named below to pay **RBS Equities (Australia) Limited**

Request and Authority to debit

Full Name or Company name

ABN/ACN/ARBN

Account Designation

("the Investor(s)")

request and authorise RBS Equities (Australia) Limited Debit User Identification Number 181824 to arrange for any amount RBS Equities (Australia) Limited may debit or charge the investor to be debited through the Bulk Electronic Clearing System from an account held at the Financial Institution identified below subject to the terms and conditions of the Direct Debit Request Service Agreement.

Insert the name and address of Financial Institution at which Account is held

Financial institution name

Address

Insert details of account to be debited

Name of account

BSB number

Account number

Acknowledgment

By signing this Direct Debit Request the investor(s) acknowledges having read and understood the terms and conditions governing the debit arrangements between the Investor and RBS Equities (Australia) Limited as set out in this Request and in the Investor's Direct Debit Request Service Agreement.

Insert the Investor's Signature and Address (Signature details as per Applications Forms and as below)

Address

Date / /

If Applicant(s) are/is individual(s)

If Applicant is a company

Signature

Signature

Print name

Print name

Signature

Please affix Common Seal if required in accordance with the company's constitution

Print name

Please attach this Direct Debit Request to your RBS Application Form along with a copy of the driver's licence for each signatory of the Direct Debit Request.

RBS Equities (Australia) Limited
Warrants & Structured Products
RBS Tower, Level 22
88 Phillip Street
Sydney NSW 2000

Telephone 1800 450 005
Website www.rbs.com.au/etc

Direct Debit Request Service Agreement

Definitions

account means the account held at the investor's financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request service agreement between the investor and us.

business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by the investor to us is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the Direct Debit request between us and the investor

Investor means the customer who signed the Direct Debit request.

Investor's financial institution is the financial institution where the investor holds the account that the investor has authorised us to arrange to debit.

us or we means RBS Equities (Australia) Limited, the Debit User that the investor has authorised by signing a Direct Debit request.

1. Debiting the investor's account

- 1.1 By signing a Direct Debit request, the investor has authorised us to arrange for funds to be debited from the investor's account. The investor should refer to the Direct Debit request and this agreement for the terms of the arrangement between us and the investor.
- 1.2 We will only arrange for funds to be debited from the Investor's account as nominated in the RBS Application Form, or for regular Direct Debits where we have sent to the address nominated by the investor in the Direct Debit request, a statement or invoice which specifies the amount payable by the investor to us and when it is due.
- 1.3 If the debit day falls on a day that is not a business day, we may direct the investor's financial institution to debit the investor's account on the following business day.

If the investor is unsure about which day the investor's account has or will be debited, the investor should ask the investor's financial institution.

2. Changes by us

- 2.1 We may vary any details of this agreement or a Direct Debit request at any time by giving the Investor at least fourteen (14) days' written notice.

3. Changes by the investor

- 3.1 Subject to clauses 3.2 and 3.3, the investor may change the arrangements under a Direct Debit request by contacting us on 1800 450 005.
- 3.2 If the investor wishes to stop or defer a debit payment the investor must notify us in writing at least five (5) business days before the next debit day. This notice should be given to us in the first instance.

- 3.3 The investor may also cancel the investor's authority for us to debit the investor's account at any time, by giving to us 5 (five) business days' notice in writing before the next debit day. This notice should be given to us in the first instance.

4. The investor's obligations

- 4.1 It is the investor's responsibility to ensure that there are sufficient clear funds available in the investor's account to allow a debit payment to be made in accordance with the Direct Debit request.
- 4.2 If there are insufficient clear funds in the investor's account to meet a debit payment:
 - a. the investor may be charged a fee and/or interest by the investor's financial institution;
 - b. the investor may also incur fees or charges imposed or incurred by us; and
 - c. the investor must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in the investor's account by an agreed time so that we can process the debit payment.
- 4.3 The investor should check the investor's account statement to verify that the amounts debited from the investor's account are correct.
- 4.4 we are is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then the investor agrees to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

- 5.1 If the investor believes that there has been an error in debiting the investor's account, the investor should notify us directly on 1800 450 005 and confirm that notice in writing with us as soon as possible so that we can resolve the investor's query more quickly.
- 5.2 If we conclude as a result of our investigations that the investor's account has been incorrectly debited we will respond to the investor's query by arranging for the investor's financial institution to adjust the investor's account (including interest and charges) accordingly. We will also notify the investor in writing of the amount by which the investor's account has been adjusted.
- 5.3 If we conclude as a result of our investigations that the investor's account has not been incorrectly debited, we will respond to the Investor's query by providing the investor with reasons and any evidence for this finding.
- 5.4 Any queries the investor may have about an error made in debiting the investor's account should be directed to us in the first instance, so that we can attempt to resolve the matter between us and the investor. If we cannot resolve the matter, the investor can still refer it to the investor's financial institution which will obtain details from the investor of the disputed transaction and may lodge a claim on the investor's behalf.

You, the investor should check:

- a. with your financial institution whether direct debiting is available from your account, as direct debiting is not available on all accounts offered by financial institutions;
- b. your account details, which you have provided to us, are correct by checking them against a recent account statement; and
- c. with your financial institution before completing the Direct Debit request if you have any queries about how to complete the Direct Debit request.

6. Confidentiality

- 6.1 We will keep any information (including the investor's account details) in the investor's Direct Debit request confidential. We will make reasonable efforts to keep any such information that we have about the investor secure and to ensure that any of our employees or Agents who have access to information about the investor do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 6.2 We will only disclose information that we have about the investor:
 - a. to the extent specifically required by law; or
 - b. for the purposes of this agreement (including disclosing information in connection with any query or claim).

7. Notice

- 7.1 If the Investor wishes to notify us in writing about anything relating to this agreement, the investor should write to:

**RBS Equities (Australia) Limited
Warrants & Structured Products
GPO Box 4675, Sydney NSW 2001**

- 7.2 We will notify the investor by sending a notice in the ordinary post to the address the investor have given us in the direct debit request.
- 7.3 Any notice will be deemed to have been received two business days after it is posted.

Disclaimer

In preparing this PDS, RBS has not taken into account the recipient's individual objectives, financial situation and needs. Before the recipient makes an investment decision in respect of Exchange Traded Certificates the recipient should consider the appropriateness of any advice contained in this PDS to their objectives, financial situation and needs. RBS does not accept any liability or responsibility for, and makes no representation or warranty as to the affairs of any Reference Company or Reference Index (as applicable) included in this PDS. Recipients should obtain independent advice on the nature, activities and prospects of the Reference Companies and Reference Index (as applicable) and the merits of an investment in any Exchange Traded Certificate. This PDS is the proprietary information of RBS, and may not be reproduced, distributed or published for any purpose without the prior written consent of RBS.

The Royal Bank of Scotland plc is a foreign Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth) and the Exchange Traded Certificates offered under this PDS do not form deposits or other funds of The Royal Bank of Scotland plc and The Royal Bank of Scotland plc does not stand in any way behind the capital value and/or performance of the Exchange Traded Certificates. Exchange Traded Certificates can be subject to investment risk, including possible delays in repayment and loss of income and principal invested.

No Reference Company, Reference Index, Relevant Exchange or Related Exchange has been a party to the preparation of this PDS or furnished any information specifically to RBS for the purpose of its preparation. Similarly, information in this PDS concerning a Reference Company, Reference Index, Relevant Exchange or Related Exchange has not been independently verified.

No member of the RBS Group accepts any liability or responsibility for, or makes any representation or warranty, express or implied, as to the accuracy or completeness of any information about a Reference Company, Reference Index, Relevant Exchange or Related Exchange in this PDS. Investors should make their own enquiries about any relevant Reference Company, Reference Index, Relevant Exchange or Related Exchange.

No person is authorised by RBS to give any information to investors or make any representation not contained in this PDS.

This PDS is not an offer or invitation in relation to Exchange Traded Certificates in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of the places where it is distributed and therefore persons into whose possession this PDS comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. Exchange Traded Certificates have not been, and will not be, registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America or to a citizen or resident of the United States or to any other person within the definition of the term "US Person" (as defined in Exhibit I.1 attached to this PDS)

A transferee of Exchange Traded Certificates or Reference Shares must not be (a) a U.S. Person; (b) a corporation which is not a U.S. Person in which U.S. Persons hold 10% or more of either voting power or value; (c) a partnership which is not a U.S. Person in which a U.S. Person is a partner, or (d) a trust which is not a U.S. Person whose grantor or any of whose beneficiaries is a U.S. Person. Except with the consent of RBS, neither the rights to any Exchange Traded Certificates nor the rights to any Reference Shares may be owned by, and any rights to any Exchange Traded Certificates or rights to any Reference Shares must not be sold, offered or transferred to, any of the persons enumerated in (a-d) above.

This PDS Part 2 is dated 27 July 2011 and has been prepared by RBS. This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. RBS will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act. ASIC and the ASX take no responsibility for the contents of this PDS or for the Exchange Traded Certificates.

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To find out more about the Exchange Traded Certificates,
Log on to www.rbs.com.au/etc or call 1800 450 005

