



**DOLMEN STOCKBROKERS**



# Dolmen Oil Bond

- Up to 275% Participation in Crude Oil Price Appreciation.
- Choice of 100% or 90% Capital Protection Options\*.
- 3 Year 11 Month Investment Term.

\*Capital Protection provided by Ulster Bank Ireland Limited at the Maturity Date. Closing Date 8th June 2012.

PERSONAL INVESTMENTS • PENSIONS • ARF/AMRF • CORPORATES • CHARITIES

# Dolmen Oil Bond

This bond provides investors with the opportunity to profit from the possible appreciation of Brent Crude Oil (CO1 Comdty) together with the added benefit of capital protection provided by Ulster Bank Ireland Limited. An investor can potentially gain a return which is a multiple in excess of Brent Crude's actual performance while ensuring their capital is protected. Investors can choose from two options;

- **Option "A" offers 100% capital protection and 150% of the positive returns from Brent Crude.**
- **Option "B" offers 90% capital protection and 275% of the positive returns of Brent Crude.**

In order to protect performance from short term market volatility towards the end of the term the final price will reflect the average price of Brent Crude over the final 6 months of the investment term.

## INVESTMENT SUMMARY

### Option A (150% Participation)

|                            |   |
|----------------------------|---|
| <b>Capital Protection:</b> | 100% Capital Protection Provided By Ulster Bank Ireland Limited |
|----------------------------|---|

|                            |   |
|----------------------------|---|
| <b>Participation Rate:</b> | 150% of the Positive Returns of Brent Crude Oil |
|----------------------------|---|

|                            |     |
|----------------------------|-----|
| <b>Cap On Brent Crude:</b> | 40% |
|----------------------------|-----|

|                        |                  |
|------------------------|------------------|
| <b>Maximum Return:</b> | 60% (12.75% AER) |
|------------------------|------------------|

|                         |  |
|-------------------------|--|
| <b>Final Averaging:</b> | Over the Final Six Months (7 monthly observations) |
|-------------------------|--|

|                         |                   |
|-------------------------|-------------------|
| <b>Investment Term:</b> | 3 Years 11 Months |
|-------------------------|-------------------|

*(Investors get 150% of Positive return of Brent Crude subject to a 40% cap and averaging)*

### Option B (275% Participation)

|                            |  |
|----------------------------|--|
| <b>Capital Protection:</b> | 90% Capital Protection Provided By Ulster Bank Ireland Limited |
|----------------------------|--|

|                            |   |
|----------------------------|---|
| <b>Participation Rate:</b> | 275% of the Positive Returns of Brent Crude Oil |
|----------------------------|---|

|                            |     |
|----------------------------|-----|
| <b>Cap On Brent Crude:</b> | 40% |
|----------------------------|-----|

|                        |                   |
|------------------------|-------------------|
| <b>Maximum Return:</b> | 100% (19.35% AER) |
|------------------------|-------------------|

|                         |  |
|-------------------------|--|
| <b>Final Averaging:</b> | Over the Final Six Months (7 monthly observations) |
|-------------------------|--|

|                         |                   |
|-------------------------|-------------------|
| <b>Investment Term:</b> | 3 Years 11 Months |
|-------------------------|-------------------|

*(Investors get 275% of Positive return of Brent Crude subject to a 40% cap and averaging)*

Importantly, investors can also allocate their funds between each of the Options. For example: 50% in Option A + 50% in Option B will benefit from an average of 95% capital protection and an average of 212.5% participation in any return, with a maximum return of 80% (16.19% AER).

This brochure has been drafted by Dolmen Stockbrokers Limited, who are solely responsible for its contents. Ulster Bank Ireland Limited (the "Bank") accept no responsibility for the accuracy or otherwise of the information set out in this brochure nor have they verified the accuracy of such information other than the information directly relating to the Bank.

**Warning: If you invest fully or partially in Option B of this product you could lose 10% of the money you invest in Option B and you may not receive any investment return**

# Why Invest In Oil?

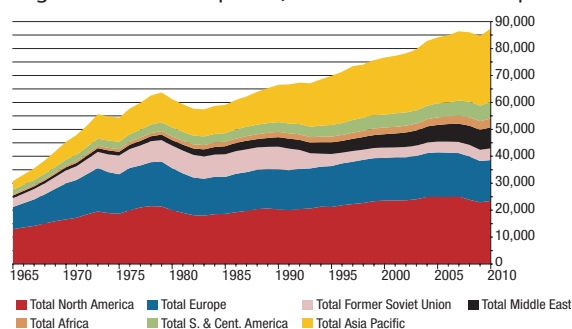
**Demand for Crude Oil** continues to increase, driven by growing demand from China, India, South America, Africa and the Middle East. The most recent International Energy Agency (IEA) data suggest world oil demand in the first quarter of 2012 is running at 90.4 million barrels per day, up 1.4 million barrels per day year-on-year. The potential for further growth in demand is enormous. North America has a population of 344 million and consumes 23.4 million barrels of crude oil each day, or nearly 11 liters of Crude Oil per person per day. However, the Asia Pacific region has 4.2 billion people<sup>1</sup> consuming 27.2 million barrels of Crude Oil per day, or approximately 1 liter per person per day. As the Asian economies develop demand for Crude Oil could increase considerably.

**Chinese Imports of Crude Oil** have been increasing rapidly in recent years driven by economic growth. In addition the IEA estimates China is adding up to 79 million barrels of new oil storage in 2012, as it looks to build strategic petroleum reserves capable of holding 500 million barrels (approx 55 days supply) by 2020. India is also now starting to build strategic petroleum reserve facilities which may reach 40 million barrels in 2012<sup>2</sup>. The more Chinese and emerging market demand for Crude Oil increases, the less supply is available on other world markets, potentially driving global prices higher.

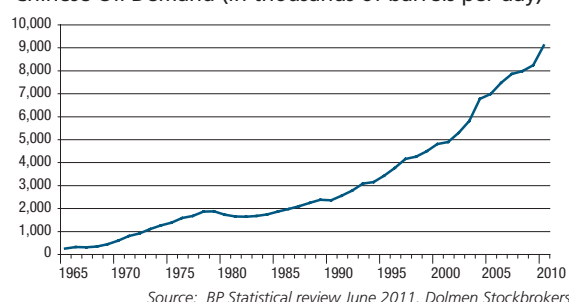
**Crude Oil Production** has now fallen substantially below consumption as illustrated by the chart across. As a result, oil inventories are being drawn down to meet the production shortfalls and are hitting record lows. Industry analysts forecast that oil demand may continue to grow in excess of production capacity growth<sup>3</sup>. OPEC spare capacity has already declined to dangerously low levels, with Saudi crude oil production having risen to 10.0 million barrels per day in February 2012, the highest level in 30 years. Over the next few years inventories and OPEC spare capacity could become severely depleted, requiring higher oil prices to restrain demand, keeping it in line with available supply.

**Crude Oil Stocks** in February 2012 hit five-year lows due to persistent supply problems. This leaves the world in a difficult situation, where OPEC spare capacity and world oil inventories are at their lows, just as the world economic recovery is getting on a better footing. Again this implies that Crude Oil prices may need to go higher in order to restrain demand in line with available supplies.

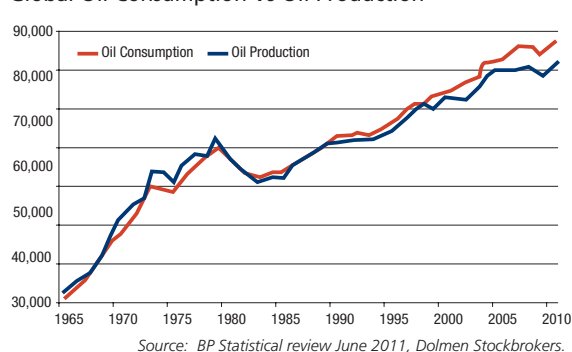
Regional Oil Consumption (in thousands of barrels per day)



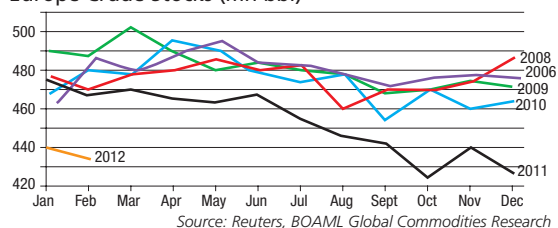
Chinese Oil Demand (in thousands of barrels per day)



Global Oil Consumption Vs Oil Production



Europe Crude Stocks (mn bbl)



**The views expressed are those of Dolmen Stockbrokers and should not be construed as investment advice.**

**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.**

# Dolmen Oil Bond

**Global Economic Recovery** is gathering traction with world real GDP growth estimated at 3.3% in 2012 and 3.9% in 2013<sup>4</sup>. A recovery in economic activity and jobs in the United States and other nations may in turn increase demand for energy in general and Crude Oil in particular.

**Geopolitical Risks** can also be an important fundamental driver of Crude Oil prices. Iranian production and exports are expected to fall dramatically due to EU and US sanctions, which need to be fully implemented by 1st July 2012. While Saudi Arabia will attempt to increase production to try to fill the gap left by Iran, this will result in OPEC spare capacity tightening even further and it is clearly bullish for oil prices. There is also the threat of bigger supply disruptions if Iran was to carry out its threat to close the Strait of Hormuz, through which 17 million barrels (20% of global supply) pass every day. However, geopolitical risks to oil supplies are by no means limited to Iran (other major oil producers include; Saudi Arabia, Russia, Iraq, Libya, Venezuela, Kuwait, Nigeria, Sudan, Syria, Angola and Algeria).

**The Money Supply** has been increasing. In recent months the world's big central banks have either injected liquidity, expanded quantitative easing (printing money to buy bonds) or promised to keep rates low for longer. This flood of cheap money has attracted investors to commodities, including oil, in order to protect against possible future inflation. Central banks may have also impacted oil indirectly, by raising global growth prospects, which in turn buoy expectations for oil demand.

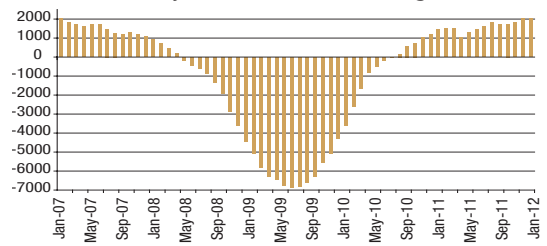
**Peak Oil** refers to the point at which oil production reaches a maximum and then declines forever. The number of new discoveries of giant oil fields has declined in recent years and new discoveries are often smaller and increasingly expensive and difficult to extract<sup>5</sup>. Oil production is already falling in a number of the major oil exporters, such as Norway, Mexico and Venezuela<sup>6</sup>. Some studies suggest that we may have already passed the point of maximum oil production (see chart across)<sup>7</sup>. Yet consumption of crude oil continues to increase, creating further imbalances in supply and demand, potentially resulting in upward pressure on crude oil prices.

**Product Back Testing.** We back tested the Oil Bond using potential maturities over the last 10 years. We analysed 2,610 individual potential product maturities over the last 10 years, from the beginning of April 2002, until the end of March 2012. The potential returns that could have been achieved over this period are summarised as follows:

- The Oil Bond would have delivered positive returns for investors 96% of the time.
- The average return achieved for an investor in "Option A" was 45.9% (10.12% AER).
- The average return achieved for an investor in "Option B" was 84.18% (15.22% AER).
- The maximum possible returns of 60% (12.75% AER) on "A" or 110% (19.35% AER) on "B" were achieved 62% of the time.
- No return was achieved 4% of the time.

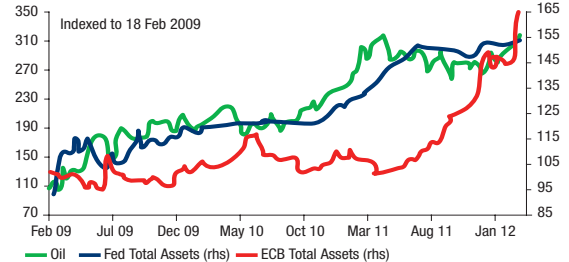
**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.**

US Non Farm Payrolls Year on Year Change (in thousands).



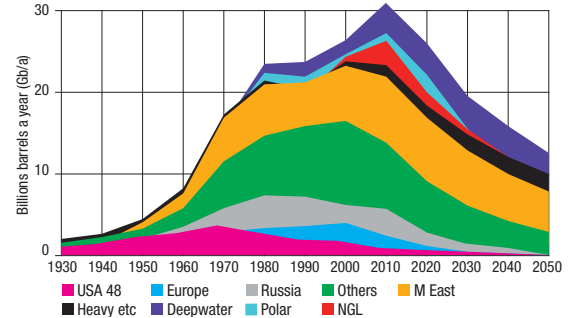
Source: United States Department of Labour, Bureau of Labour Statistics  
2012, Dolmen Stockbrokers.

FED & ECB v Oil



Source: Bloomberg, BOAML Global Commodities Research

Peak Oil



Source: Association for the Study of Peak Oil and Gas (ASPO) 21/6/2007.



**The Price of Brent Crude Oil** has been in an uptrend since the lows of 2008, but despite tightening supplies it still remains below the previous peaks of 2008 when the cost of a barrel of Brent crude rose to \$147.

**Brent Crude Oil Prices in US \$ Per Barrel 1988 - 2012**



Source: Bloomberg March 2012

**Summary:** According to the International Energy Agency “The age of cheap energy is over”<sup>8</sup>. The world is running out of easy to reach oil and most of the world’s cheap oil has already been exploited. The world continues to rely on oil, so oil companies must now drill in far deeper and more impractical locations to reach the planet’s remaining oil reserves. Drilling for oil in increasingly difficult places significantly adds to the cost of extraction and transportation. The price of oil will need to stay high and go higher to make many remaining reserves commercially viable for the oil companies; otherwise future production could be curtailed leading to shortages and further oil price increases.

The world has recently been increasingly dependent on drawing down both inventories and OPEC’s remaining spare capacity of Crude Oil. Given the constraints on oil production at a time of potential economic recovery, increasing demand and geopolitical tensions, many believe Oil prices will be increasingly skewed to the upside. With so little spare capacity future supply shocks or rising demand could lead to sharp increases in Crude Oil prices. This bond offers an attractive opportunity for investors to potentially profit from rising Brent Crude Oil prices with the added benefit of capital protection options.

1. Source: UN Statistical Year Book 2011.
2. Financial Times 2/3/2011.
3. Goldman Sachs, Commodity Outlook, February 2012
4. \*International Monetary Fund Estimate January 2012.
5. Source: Giant oil field decline rates and their influence on world oil production, Energy Policy, 6th June 2009.
6. Source: BP Statistical review June 2011.
7. Source: Association for the Study of Peak Oil and Gas (ASPO) 21/6/2007.
8. The Executive Director of the International Energy Agency (IEA), World Energy Outlook, 21 April 2011.

**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.**

# Dolmen Oil Bond

## Illustration of Potential Investor Returns:

The table below is an illustration of how each of the product options could potentially perform based on various potential growth figures for Brent Crude Oil (after 6 month final averaging).

### Option A Potential Return Illustration.

| Brent Crude Performance | Option A Participation | Option A Return | Capital Protected Amount | Gross Return To Investor Including Original Capital |
|-------------------------|------------------------|-----------------|--------------------------|---|
| 10%                     | 150%                   | 15.00%          | 100%                     | 115.00%   |
| 20%                     | 150%                   | 30.00%          | 100%                     | 130.00%   |
| 30%                     | 150%                   | 45.00%          | 100%                     | 145.00%   |
| 40%                     | 150%                   | 60.00%          | 100%                     | 160.00%   |
| 50%                     | 150%                   | 60.00%          | 100%                     | 160.00%   |
| -30%                    | 150%                   | 0.00%           | 100%                     | 100.00%   |

### Option B Potential Return Illustration.

| Brent Crude Performance | Option B Participation | Option B Return | Capital Protected Amount | Gross Return To Investor Including Original Capital |
|-------------------------|------------------------|-----------------|--------------------------|---|
| 10%                     | 275%                   | 27.50%          | 90%                      | 117.50%   |
| 20%                     | 275%                   | 55.00%          | 90%                      | 145.00%   |
| 30%                     | 275%                   | 82.50%          | 90%                      | 172.50%   |
| 40%                     | 275%                   | 110.00%         | 90%                      | 200.00%   |
| 50%                     | 275%                   | 110.00%         | 90%                      | 200.00%   |
| -30%                    | 275%                   | 0.00%           | 90%                      | 90.00%  |

### 50% in Option A and 50% in Option B Potential Return Illustration.

| Brent Crude Performance | 50% In Option A & 50% in Option B Participation | 50% In Option A & 50% in Option B Return | Capital Protected Amount | Gross Return To Investor Including Original Capital |
|-------------------------|---|--|--------------------------|---|
| 10%                     | 212.5%  | 21.25%                                   | 95%                      | 116.25%   |
| 20%                     | 212.5%  | 42.50%                                   | 95%                      | 137.50%   |
| 30%                     | 212.5%  | 63.75%                                   | 95%                      | 158.75%   |
| 40%                     | 212.5%  | 85.00%                                   | 95%                      | 180.00%   |
| 50%                     | 212.5%  | 85.00%                                   | 95%                      | 180.00%   |
| -30%                    | 212.5%  | 0.00%                                    | 95%                      | 95.00%  |

**Warning: These figures are for illustrative purposes only. They are not intended future performance of this investment.**

**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.**

**Warning: The value of your investment may go down as well as up. If you invest in this product you may not receive any investment return.**





# What risks are attached to the Bond?

## Market risks:

- This may result in an opportunity cost where other assets generate a positive return on investment.
- Commodity markets are speculative and future prices may trade lower than current prices.
- A major prolonged slow down in the global economy could have a negative effect on the Oil Price generally.
- Oil production and supply could increase.
- Alternative energy sources could be discovered.
- Oil demand could fall.

## Other

- Your Investment and Investment Return, if any, exposes you to the credit risk of Ulster Bank Ireland Limited and BNP Paribas. Ulster Bank Ireland Limited is a wholly owned subsidiary of The Royal Bank of Scotland plc.
- You will be unable to access your funds prior to the Maturity Date.
- Inflation may occur over the duration of your Investment and if the returns, if any, on your Investment are lower than the rate of the inflation this will reduce what you could buy in the future.
- Investors in option A have 100% capital protection at the Maturity Date.
- Investors in option B have 90% capital protection at the Maturity Date.

**Warning: If you seek to cash in your investment before the maturity date you may not be able to access monies and you may not receive any investment return.**

**Warning: If you invest fully or partially in Option B of this product you could lose 10% of the money you invest in Option B and you may not receive any investment return.**

# Dolmen Oil Bond

## Key Features of the Dolmen Oil Bond

### How does the Investment work?

**Details of the Product:** The Investment is designed and distributed by Dolmen Stockbrokers ("Dolmen"), 75 St. Stephen's Green, Dublin 2. Dolmen is the Product Producer.

Ulster Bank Ireland Limited (the "Bank") is the Deposit Taker. Ulster Bank Ireland Limited, a private company limited by shares, trading as Ulster Bank, Ulster Bank Group and Banc Uladh is registered in Ireland (No 25766) with its registered office at Ulster Bank Group Centre, George's Quay, Dublin 2. Ulster Bank Ireland Limited is a member of The Royal Bank of Scotland Group and is regulated by the Central Bank in Ireland.

An Investment in Option A provides 100% capital protection at the Maturity Date and also the potential to receive Investment Return. An Investment in Option B provides 90% capital protection at the Maturity Date and also the potential to receive Investment Return. You will not receive any Investment Return generated by the Investment until the Interest Payment Date.

The Dolmen Oil Bond details are as follows:

- An investment in Option A is 100% capital protected with 150% participation of the appreciation, if any, of Brent Crude Oil (CO1 Comdty) subject to a cap of 40% on the performance of Brent Crude Oil.
- An investment in Option B is 90% capital protected with 275% participation of the appreciation, if any, of Brent Crude Oil (CO1 Comdty) subject to a cap of 40% on the performance of Brent Crude Oil.

The repayment of the relevant Capital Protected Amount is protected by Ulster Bank Ireland Limited at the Maturity Date. You will get zero return on your investment if the price of oil is lower at the maturity date than at the start date.

**The Dolmen Oil Bond will use Averaging over the last six months of the Term. This may mean that you may only benefit from some of the performance of Brent Crude Oil. However, it may protect your Investment against falls in performance at the end of the Term.**

Please note that Averaging at the end of the Term may have a negative impact on the Investment Return meaning that you may not receive the maximum benefit of any gains that may be made by movements in Brent Crude Oil over the Term. However, Averaging at the end of the Term may also have the effect of protecting your Investment from the full extent of any losses that may be suffered by movements in Brent Crude Oil towards the end of the Term of the Bond.

**Warning: If you invest in Option A of this Bond you may only receive back your original investment and you may not receive any investment return.**

**Warning: If you invest in Option B of this product you could lose 10% of the money you put in.**

### Where does my investment go?

**In the case of Option A:** If a sample investment of €10,000 is made, it will be used as at the date of the Investment, as follows:

- €10,000 will be used to secure the capital secured amount of €10,000 on 16th May 2016. This is equivalent to a promised return on this part of your Investment of 0% per annum before tax is deducted.
- €0 or 0% will be used to secure the cash bonus which may be payable after three years 11 months.





- €0 or 0% will be taken in charges. Ulster Bank will pay Dolmen a fee equivalent to 5.75% of the initial investment amount for designing, producing and distributing this product, however, this fee is not taken from your investment amount.
- €10,000 total.

In the case of Option A if the cash bonus is zero the promised payment will represent a return of 0% per annum on your total Investment over the period to the date of the promised payment, before any tax is deducted. The Investment Return is provided from the payout of a financial derivative purchased by Ulster Bank Ireland Limited from BNP Paribas. If BNP Paribas fails to pay Ulster Bank Ireland Limited you may receive back your Capital Protected Amount only.

**In the case of Option B:** If a sample investment of €10,000 is made, it will be used as at the date of the Investment, as follows:

- €9,000 will be used to secure the Capital secured amount of €9,000 on 16th May 2016. This is equivalent to a promised return on this part of your Investment of -2.65% per annum before tax is deducted.
- €1,000 or 10% will be used to secure the cash bonus which may be payable after three years 11 months.
- €0 or 0% will be taken in charges. Ulster Bank will pay Dolmen a fee equivalent to 3.8% of the initial investment amount for designing, producing and distributing this product, however, this fee is not taken from your investment amount
- €10,000 total.

In the case of Option B if the cash bonus is zero the promised payment will represent a return of -2.65% per annum on your total Investment over the period to the date of the promised payment, before any tax is deducted. The Investment Return is provided from the payout of a financial derivative purchased by Ulster Bank Ireland Limited from BNP Paribas. If BNP Paribas fails to pay Ulster Bank you may receive back your Capital Protected Amount only.

An investor's return on his or her investment will be capped/limited due to the 40% cap on the positive performance of Brent Crude Oil. The maximum possible return for investors in Option A is 60% (12.75% AER). The maximum possible return in Option B is 100% (19.35% AER). Any excess earnings over these caps / limits will be retained by the option provider/or a third party.

## Fees and Charges:

Dolmen receives a fee from Ulster Bank for designing, producing and distributing this product. Based on indicative pricing as of 05/4/2012 the fee to Dolmen will be equivalent to 5.75% of the Investment Amount in the case of Option A and 3.8% of the Investment Amount in the case of Option B. This fee is not taken from your investment amount. Any authorised investment intermediary appointed by Dolmen may receive a fee of up to 3.00% from Dolmen for distributing this product. These fees are not taken from your Investment Amount. If the volume of funds raised for the product exceeds any pre hedged amounts, or in the event of extreme market volatility, Dolmen at its sole discretion and without notice, may amend the intermediary distribution fees payable, or withdraw the product, or cease to accept product applications. Dolmen will write to confirm the exact fee after the Start Date. This fee is not taken from your investment amount.

**Warning: If you seek to cash in your investment before the maturity date you may not be able to access monies and you may lose some or all of the money you put in.**

# Dolmen Oil Bond

## Do I have access to my Investment?

The Investment is for the Term and no withdrawals may be made without Ulster Bank's consent prior to the Maturity Date. Such consent will be given entirely at Ulster Bank's discretion. Any return on the Bond will depend on the performance of Brent Crude. If you do require access to your Investment before the Maturity Date, you will only receive the then present value of your Investment, which may be less than the relevant Capital Protected Amount.

## What happens if I die before the Investment matures?

For investors who are individuals, in the event of the death of a sole investor or of a surviving joint investor before the Maturity Date, the Investment will continue to the Maturity Date in the name of the executor or administrator according to usual probate rules. For investors who are joint investors, the Investment will continue to the Maturity Date in the name of the surviving investor should one investor die.

## What about Tax?

Your Investment is held in the form of a deposit account. In respect of Option A, under current legislation, the interest, if any, (i.e. the excess of (i) the Capital Protected Amount plus the Investment Return over (ii) the Deposit Amount) paid to investors who are Irish resident at maturity, will be subject to Deposit Interest Retention Tax of 33%, being the standard rate of tax 30% plus 3%. In respect of Option B the interest, if any, (i.e. the excess of (i) the Capital Protected Amount plus the Investment Return over (ii) the Deposit Amount) paid to investors who are Irish resident at maturity will be subject to Deposit Interest Retention Tax of 33%, being the standard rate of tax 30% plus 3%. These tax deductions will apply at the maturity of the Investment and will be made at source by Ulster Bank. Certain non-residents, pension funds, charities and companies may apply to receive returns gross without deduction of tax. Investors are responsible for providing any information or documentation necessary to confirm their tax status. All investors must accurately disclose all material facts. Investors are responsible for providing any information or documentation necessary to confirm non residency, pension fund, charity, company, etc status. Investors must satisfy themselves in relation to all revenue reporting and disclosure requirements and the implications of any such non-disclosure.

**Warning: If you seek to cash in your investment before the 16th May 2016 you may not be able to access monies and you may lose some or all of the money you put in.**



# Term & Conditions - Dolmen Oil Bond

The following Terms and Conditions will apply to the Investment.

## 1 Definitions

**Averaging:** The Dolmen Oil Bond has monthly averaging for the final six months of the Term (7 observations taken on each Observation Date). The performance of Brent Crude Oil (CO1 Comdty) is calculated by comparing the asset price at the Start Date and the average monthly reference price over the last six months. This may mean that the customer may only benefit from some of the performance of the Brent Crude. However, it protects the customer's Investment against falls in performance towards the end of the Term;

**Business Day:** Refers to a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Dublin and London;

**Deposit Amount:** Shall mean the amount invested in the Dolmen Oil Bond.

**Performance Cap:** The performance of Brent Crude Oil will be limited to 40% over the term.

**Capital Protected Amount:** Shall mean 100% of the Deposit Amount in option A, and 90% of the Deposit Amount in option B.

**Currency:** EUR;

**Brent Crude :** BLOOMBERG TICKER (CO1 Comdty) with a 40% cap on gains.

**Product Producer and Distributor:** Dolmen Stockbrokers ("Dolmen") and its successors, transferees and assigns. Dolmen Stockbrokers is regulated by the Central Bank of Ireland;

**Final Valuation Date:** 11th May 2016;

**Interest Payment Date:** The Principal Repayment Date;

**Investment:** Your Investment in Option A or Option B or both of the Dolmen Oil Bond options; Option A is a 100% capital protected investment with 150% participation in any growth in the price of Brent Crude Oil subject to a cap of 40% on growth over the Term;

Option B is a 90% capital protected investment with 275% participation in any growth in the price of Brent Crude Oil subject to a cap of 40% on growth over the term.

**Investment Return:** The Investment Return, if any, payable in addition to the relevant Capital Protected Amount in accordance with Condition 5;

**Maturity Amount:** In option A, the aggregate of (i) 100% of the Deposit Amount plus (ii) 150% of the gain, if any, in the price of Brent Crude Oil subject to the Performance Cap and Averaging; In option B, the aggregate of (i) 90% of the Deposit Amount plus (ii) 275% of the gain, if any, in the price of Brent Crude Oil subject to the Performance Cap and Averaging;

**Maturity Date:** 16th May 2016;

**Minimum Investment:** €10,000;

**Observation Dates:** The 15th of each month from and including 16th November 2015, 15th December 2015, 15th January 2016, 15th February 2016, 15th March 2016, 15th April 2016 to and including the final Valuation date 11th May 2016 (i.e. 7 observations in total) provided that if the day on which the Observation Date is due to occur is not a trading day for Brent Crude, the Observation Date shall be the next available trading day.

**Participation:** In option A the participation rate is 150% of the appreciation, if any, in Brent Crude; In option B the participation rate is 275% of the appreciation, if any, in Brent Crude;

**Price Source:** The Intercontinental Exchange (as displayed on Bloomberg);

**Principal Repayment Date:** Within three Business Days of the Maturity Date, provided that if such a day is not a Business Day, the next following Business Day;

**Start Date:** 15th June 2012;

**Term:** 3 years 11 months from the Start Date to the Maturity Date;

# Dolmen Oil Bond

**Ulster Bank:** Ulster Bank Ireland Limited is a private company limited by shares, trading as Ulster Bank, Ulster Bank Group and Banc Uladh. Registered in the Republic of Ireland No. 25766. Registered Office: Ulster Bank Group Centre, George's Quay, Dublin 2. Ulster Bank Ireland Limited is a member of the Royal Bank of Scotland Group and is regulated by the Central Bank of Ireland.

**Underlying Reference Price:** Brent Crude Oil (Bloomberg Ticker CO1 Comdty) The settlement price for the first nearby month futures contract of brent blend light crude oil on the Intercontinental Exchange, stated in USD per barrel on a particular date.

**you/your:** The person(s) (natural or corporate) investing money in the Bond in accordance with these Terms and Conditions and includes their successors.

**References to "we", "our" or "us" shall refer to Dolmen Stockbrokers.**

## 2 Your deposit

In the case of Option A, Ulster Bank will meet its obligations to pay the Capital Protected Amount by investing 100% of the cash proceeds of your Deposit Amount in an account in your name upon instruction from Dolmen. In the case of Option B, Ulster Bank will meet its obligations to pay the Capital Protected Amount by investing 90% of the cash proceeds of your Deposit Amount in an account in your name upon instruction from Dolmen.

## 3 Withdrawals

No withdrawals may be made from the account before the end of the Term without Ulster Bank's prior consent. Such consent will be given entirely at its discretion. If such consent is given, you will only receive a repayment equal to the then present value of your Investment at that time, which may be less than the relevant Capital Protected Amount.

## 4 Capital Security

Option A: On the Principal Repayment Date, Ulster Bank will repay a minimum of 100% of the Deposit Amount invested in Option A to you irrespective of the performance of Brent Crude.

Option B: On the Principal Repayment Date, Ulster Bank will repay a minimum of 90% of your Deposit Amount invested in Option B to you

irrespective of the performance of Brent Crude.

**Warning: The value of your Investment may go down as well as up.**

**Warning: Investors in Option B should be aware that they may lose up to 10% of their deposit amount.**

## 5 Investment Return Condition

### Option A

$$\text{Deposit Amount} + \left( 1.5 \times \text{Min} \left[ \text{Max} \left[ \frac{\text{Underlying}_{\text{final}} - \text{Underlying}_{\text{initial}}}{\text{Underlying}_{\text{initial}}}, 0 \right], 0.4 \right] \right)$$

### Option B

$$\text{Deposit Amount} + \left( 2.75 \times \text{Min} \left[ \text{Max} \left[ \frac{\text{Underlying}_{\text{final}} - \text{Underlying}_{\text{initial}}}{\text{Underlying}_{\text{initial}}}, 0 \right], 0.4 \right] \right)$$

Where:

Underlying initial is the Underlying Reference Price on the Start Date.


Underlying final is the arithmetic average of the Underlying Reference Prices on the Observation Dates

**Warning: If you cash in your Investment before 16th May 2016 you may lose some or all of the money you put in.**

5.1 In the case of Option A, the Investment Return is based on 150% Participation in the performance of Brent Crude Oil (CO1 Comdty) from the Start Date to the Final Valuation Date subject to the Performance Cap of 40%. In the case of Option B, the Investment Return is based on 300% Participation in the performance of Brent Crude Oil (CO1 Comdty) from the Start Date to the Final Valuation Date subject to the Performance Cap of 40%.

The reference prices will be taken from the **Price Source**. The Average Weighted Reference Price of Brent Crude Oil (CO1 Comdty) at the Maturity Date is calculated by taking the arithmetic mean of the references prices on the Observation Dates. **The Investment Return can be expressed mathematically, as outlined above.**

5.2 On the Principal Repayment Date, an



amount equal to the aggregate of (i) 100% of the Deposit Amount for Option A or 90% of the Deposit Amount for Option B and (ii) the relevant Investment Return, if any, will be paid to you subject to any tax deduction. Payment will be made by cheque directly from Ulster Bank. Please note that Averaging over the Term may have a negative impact on the Investment Return meaning that you may not receive the maximum benefit of performance of Brent Crude over the Term. However, Averaging over the Term may also have the effect of protecting your Investment from the full extent of any losses that may be suffered by the movement in the Brent Crude towards the end of the Term.

- 5.3 Investment Return is provided from the payout of a financial derivative purchased by Ulster Bank from BNP Paribas (the "Counterparty") before the Start Date. Any Investment Return payable at the maturity of the Term is conditional on the fulfilment of the Counterparty's obligations to the Bank. In certain, albeit unexpected circumstances, the Counterparty may terminate or default on the derivative contract before its natural expiry. If this were to happen, the return on the account to such termination will be calculated using best market practice and no further investment return will be earned on the Bond.

## 6 Past Performance

**Warning: Past performance is not a reliable guide to future performance. The Value of your investment may go down as well as up.**

## 7 Market Disruption

If at any time during the Term any of the events listed in sub-paragraphs (i) to (iii) occurs (each such event a "Market Disruption Event") in the form of: (i) a disruption or suspension of, or limitation on, the operations of any of the parties or entities connected with the provision of services affecting the Investment for any reason whatsoever; or (ii) any material disruption of any of the free trading of the commodity included in the Investment Return calculation for any reason whatsoever, including but not limited to,

reevaluation, cancellation, replacement authority of the free trading in respect of any such commodity; or (iii) the calculation and/or publication of any commodity is disrupted in a material manner, or an error in the price of a commodity is discovered for any reason whatsoever or a commodity ceases to exist, then Ulster Bank may adjust the values used in the calculation of the Investment Return as it deems appropriate in its sole and absolute discretion, having regard to the Market Disruption Event in question. The Investment Return (if any) may be lower as a result of the adjustment. Further, following a Market Disruption Event, Ulster Bank may substitute the Price Source with a similar pricing source or substitute any commodity for a replacement commodity as it deems appropriate.

## 8 Maturity

Dolmen or your investment advisor will contact you at least 30 days before the investment matures, advising you of re-investment options, if any, available at that time.

## 9 Confidentiality

Dolmen and Ulster Bank observe a duty of confidentiality about your financial affairs. Neither Dolmen nor Ulster Bank will disclose details of your Investment or your name and address to anyone else, other than to appointed agents acting on their behalf each of which is bound to preserve such confidentiality, other members of The Royal Bank of Scotland group of companies, or where:

- They are permitted or compelled by law to do so or,
- Where there is a duty to the public to disclose or
- Where our legitimate interests require disclosure or,
- Disclosure is made at your request and with your consent.

## 10 Fees

Dolmen receives a fee for producing and distributing this product. Any authorised investment intermediary appointed by Dolmen may receive a fee from Dolmen for distributing this product. These fees are set out in the Key Features part of this brochure and are reflected in the terms of the Investment.



# Dolmen Oil Bond

## 11 Variation

These terms and conditions may be amended by Dolmen with the consent of the Bank. Dolmen will notify you of any changes and will always give you at least 30 days' notice.

## 12 Deposit Interest Retention Tax

The Investment is held in the form of a deposit account. In respect of the interest, if any, (i.e. the excess of (i) the relevant Capital Protected Amount plus the Investment Return over (ii) the Deposit Amount) paid to investors who are Irish resident at maturity will be subject to Deposit Interest Retention Tax of 33%, being the standard rate of tax 30% plus 3%. These tax deductions will apply at the maturity of the Investment and will be made at source by Ulster Bank. Tax liability and other matters referred to are as applicable under current legislation, which may change, and their applicability will depend on Investors individual circumstances. Certain non-residents, pension funds, charities, credit unions and companies may apply to receive returns gross without deduction of tax. Investors are responsible for providing any information or documentation necessary to confirm their tax status. All investors must accurately disclose all material facts. Investors are responsible for providing any information or documentation necessary to confirm non residency, pension fund, charity, company, etc status. Investors must satisfy themselves in relation to all revenue reporting and disclosure requirements and the implications of any such nondisclosure.

## 13 Disclaimer

Dolmen Stockbrokers is regulated by the Central Bank of Ireland. Dolmen Stockbrokers is a member firm of the Irish Stock Exchange and the London Stock Exchange. Reference within the terms and conditions of Investment and all related documents to particular stocks, indices, pricing sources or rates are included only to indicate the basis upon which the Investment Return is calculated, not to indicate any association between us or the Bank and the relevant commodity, stock, index provider, pricing source or rate provider, nor does such reference indicate any endorsement of the Investment by such stock, index provider, pricing source or rate provider. The product is not in any way sponsored, sold or promoted by any stock or commodity market, index, related exchange,

index sponsor, pricing source or investment fund provider, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the relevant stock or commodity market and/or the figure at which the relevant stock or commodity market, relevant index, related exchange, pricing source or investment fund level stands at any particular time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to the investor for any error in the relevant stock or commodity market, relevant index, related exchange, pricing source or relevant investment fund and shall not be under any obligation to advise any person of any error therein.

This document has been prepared in order to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice. Not all investments are necessarily suitable for all investors. Dolmen recommends that specific advice should always be sought prior to investment, based on the particular circumstances of the investor. Investors should be aware that forward looking statements and forecasts may not be realised. Dolmen shall not be liable for any losses, damages, costs claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information in this document. Any person acting on the information contained in this report does so entirely at his or her or their own risk.

## 14 The Bank

Ulster Bank Ireland Limited (the "Bank") is acting as a deposit taker only and is not liable for any of the responsibilities or actions of the Product Producer or any distributor or intermediary to an investor in this product. The Bank is not offering to provide and has not provided financial or tax advice to any investor, the Product Producer, any distributor or intermediary. It is making no representation as to the terms of this product or to its likely future performance. Any such statements will be those of the Product Producer only." Any other distributor appointed by Dolmen is appointed by Dolmen only and is not employed by Ulster Bank.





## 15 Complaints

If you are not satisfied with any aspect of this product then please follow these steps: In the first instance, please contact the Head of Compliance, Dolmen Stockbrokers at 75 St Stephen's Green, Dublin 2. If you are unable to resolve a complaint with the person you are dealing with in Dolmen, you may wish to refer the matter to the Dolmen Managing Director for further investigation. If you are not satisfied with the outcome of the efforts of Dolmen to resolve your complaint, you may wish to refer the matter to The Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. The Financial Services Ombudsman deals with complaints against any regulated firm that relate to the following 'eligible customers':

- Personal customers (i.e. individuals not acting in the course of business);
- Small companies (defined as companies with turnover less than €3m);
- and
- Unincorporated bodies (includes partnerships, trusts, clubs & charities).

If you do not qualify as an 'eligible customer' and you are not satisfied at any time with the handling of your complaint you can refer the matter to the **Financial Regulator**.

## 16 Conflict

In the event of any conflict or disagreement between these Conditions, any term sheet and/or confirmation, these Conditions shall prevail.

## 17 Governing law

These Terms and Conditions and any non-contractual obligations arising out of or in relation to the Investment will be governed by and construed in accordance with Irish law. The parties agree that the courts of Ireland shall have exclusive jurisdiction to hear and settle any dispute which may arise out of or in relation to these Terms and Conditions and any non-contractual obligations and irrevocably submit to such courts.

## 18 Assignment

The Investment may not be assigned, charged or otherwise dealt with without the prior written consent of the Bank.

# Ulster Bank and Dolmen Stockbrokers will be joint data Controllers.

## DATA PROTECTION

Ulster Bank Ireland Ltd and Dolmen Stockbrokers will be joint data controllers.

### Your Personal Data

#### 1 Your information

##### 1.1 Who is Ulster Bank Ireland Limited?

Your account is with Ulster Bank Ireland Limited who is a data controller. Ulster Bank Ireland Limited will use your information for the purposes of opening and maintaining your account. Dolmen Stockbrokers is a joint data controller with Ulster Bank Ireland Limited. Please refer to section 3 below for details of how Dolmen Stockbrokers may use your data.

Please refer to your broker or intermediary for information on how they will use your information.

Ulster Bank Ireland Limited is a member of the Royal Bank of Scotland Group (the "Group"). For information about the Group, please visit [www.rbs.com](http://www.rbs.com), or for similar enquiries please telephone: 00 44 131 556 8555 or text phone 0044 845 9005960.

##### 1.2 Your electronic information

If you contact Ulster Bank Ireland Limited electronically, the bank may collect your electronic identifier, (e.g. Internet Protocol (IP) address or telephone number) supplied by your service provider.

#### 2 How Ulster Bank Ireland Limited uses your information and who it shares it with

##### 2.1 Your information comprises all the details the Bank holds about you and your transactions, and includes information obtained from third parties.

# Dolmen Oil Bond

2.2 The Bank may use and share your information with other members of the Group to help it and them:

- assess financial and insurance risks;
- recover debt;
- prevent and detect crime;
- understand their customers' requirements; and
- develop and test products and services.

2.3 The Bank does not disclose your information to anyone outside of the Group except:

- Where it has your permission;
- Where it is required or permitted to do so by law;
- To credit reference and fraud prevention agencies and other companies that provide a service to it or to you; or
- Where it may transfer rights and obligations under this agreement or
- To UK or Irish government entities or regulatory bodies in order that those entities may discharge their responsibilities and obligations or exercise their powers or functions

2.4 The bank may transfer your information to other countries on the basis that anyone to whom they pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.

2.5 From time to time the Bank may change the way

it uses your information. Where the Bank believes you may not reasonably expect such a change it shall write to you. If you do not object to the change within 60 days, you are deemed to have consented to that change.

2.6 If you would like a copy of the information the Bank holds about you, please write to: Ulster Bank Ireland Limited, Capital Markets, 3rd Floor Ulster Bank Group Centre, George's Quay, Dublin 2. A fee may be payable.

### **3 How Dolmen Stockbrokers uses your information and who we share it with**

Dolmen Stockbrokers restricts access to non-public information about its clients to those who need to know that information in order to provide products or services. Dolmen maintains physical, electronic, and procedural safeguards to guard your non-public personal information. Please be advised that by formally investing in the Bond, you will be consenting to the transmission of your data outside of the EU/EEA where this is permitted under the Data Protection legislation in Ireland. In accordance with the Data Protection legislation in Ireland, you are entitled to a copy of the information that Dolmen holds about you on computer, on payment of a fee which is capped by the Data Protection Commissioner of Ireland. In the first instance, you should direct any such request to your broker. Dolmen Stockbrokers, 75 St. Stephen's Green, Dublin 2. Ireland. Dolmen Stockbrokers is a Member Firm of The Irish Stock Exchange and The London Stock Exchange. Dolmen Stockbrokers is regulated by the Central Bank of Ireland.

# Dolmen Oil Bond Application Form



For details of how Ulster Bank Ireland Limited and others will use your information, please look at the accompanying Terms and Conditions. Please complete in Block Capitals and return along with your cheque made payable to Ulster Bank Ireland Limited. I/We hereby apply for The Dolmen Oil Bond and for that purpose I/We request you to open an account with Ulster Bank Ireland Limited in the name(s) of:

(1) Name (Mr/Mrs/Ms):  Date of Birth:

(2) Name (Mr/Mrs/Ms):  Date of Birth:

Address:

Maiden name(for security purposes):

\*In accordance with Irish Revenue Commissioners requirements, we are obliged to ask every person opening an account to provide their current PPS number and to provide documentation verifying same.

PPS Number (1):  PPS Number (2):

Telephone:  Telephone Work:

e-mail address:

Dolmen Account Number (if applicable):

**Investment Amount Option A** ( 100% Protection & 150% Participation in returns): €

Investment Amount Option B: (90% Protection & 275% Participation in returns): €

I/We qualify for the following taxation classification (Please tick appropriate box):

DIRT ☐ Non DIRT ☐ Please Specify\*

\*Relevant documentation will be required for tax-free status in the case of charities, credit unions, pension funds, companies and non-Irish residents.

## Customer Declaration

I declare that the information given above and any other information provided by me/us during the application process is true and accurate. I/We hereby request and authorise you: (a) to open and administer an account for me /us with Ulster Bank Ireland Limited and (b) to give effect to any written request, direction or instruction relating to the account on the signature(s) of me/us by operation of law which shall remain in full force and effect until the end of the Term. **I/We confirm that I/we have had an opportunity to read and consider the terms and conditions as set out overleaf and that I/we understand them.**

## Credit Reference Agencies

Ulster Bank Ireland Limited may obtain information about you from credit reference agencies to verify your identity.

Fraud Prevention Agencies

If false or inaccurate information is provided and fraud identified or suspected, details may be passed to fraud prevention agencies. The bank may also obtain information about you from fraud prevention agencies.

## Keeping you informed

We would like to keep you informed by letter, phone and electronic means (including e-mail and mobile messaging) about products, services, and additional benefits that we believe may be of interest to you. If you don't want us to do this, please tick this box. ☐

## Giving your consent

By signing this application you are agreeing that we may use your information in the way described in this form **(including the "Data Protection" section)** and in the associated Terms and Conditions.

# Dolmen Oil Bond

## Application Form Continued

I/We did not receive any specific advice on this product

☐

I/We did receive advice on this product

☐

Signature (a)

Date:

Signature (b)

Date:

**Please make cheques payable to: Ulster Bank Ireland Limited.**

**Warning: If you invest in this product you may only receive your original Capital Protected Amount and may not receive any return on your Investment.**

**Warning: If you cash in your Investment before the end of the Term you may lose some or all of the money you put in.**

**Warning: If you invest fully or partially in Option B of this product you could lose 10% of the money you invest in Option B and may not receive any investment return.**

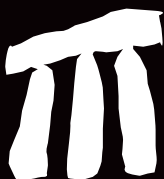


**DOLMEN STOCKBROKERS**

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LIMERICK: Theatre Court, Lower Mallow Street, Limerick. Tel: 061 436500. CORK: Dolmen House, 45 South Mall, Cork. Tel: 021 422 2122.

Dolmen Stockbrokers is regulated by the Central Bank of Ireland. Dolmen Stockbrokers is a member firm of the Irish Stock Exchange and the London Stock Exchange.





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email: [info@dsl.ie](mailto:info@dsl.ie) web : [www.dolmenstockbrokers.ie](http://www.dolmenstockbrokers.ie)